



Australian Government

Fair Work
OMBUDSMAN

Office of the Fair Work Ombudsman

- Registered Organisations Commission
- Australian Building and Construction Commission

Annual Report 2022-23



Fair Work

OMBUDSMAN

The Hon Tony Burke MP

Minister for Employment and Workplace Relations,
Minister for the Arts and
Leader of the House of Representatives

Parliament House
CANBERRA ACT 2600

19 September 2023

Dear Minister,

In accordance with section 686 of the *Fair Work Act 2009* (FW Act) and section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), I am pleased to submit the Office of the Fair Work Ombudsman (OFWO) Annual Report for the financial year ending 30 June 2023. It includes information on the OFWO's general organisation, administration and performance.

As the accountable authority for the OFWO, pursuant to section 17AG of the PGPA Rule 2014, I certify that we have:

- fraud risk assessments and fraud control plans
- appropriate fraud prevention, detection, investigation and reporting mechanisms that meet the specific needs of the OFWO
- taken all reasonable measures to deal appropriately with fraud.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'A Booth'.

Anna Booth
Fair Work Ombudsman

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Office of the Fair Work Ombudsman

Annual Report 2022-23

Year in review

The Office of the Fair Work Ombudsman (OFWO) has continued to deliver strong results for the Australian community in the 2022–23 financial year. We returned \$509 million to more than 250,000 underpaid workers across Australia – the second consecutive year we have recovered more than half a billion dollars in underpayments.

Following our record recoveries in 2021–22, we have returned a combined \$1.041 billion to more than 635,000 underpaid workers in the past 2 financial years. That's an average of about \$1.4 million every day for the past 2 years.

The magnitude of these numbers reflect the incredible work the OFWO team puts into ensuring that Australian workers are getting paid fairly for the work they do. However, they also demonstrate that large-scale underpayments remain a persistent and pervasive feature of many Australian workplaces requiring OFWO significant Agency investment to ensure that workers are being paid their lawful entitlements.

It is with this backdrop that I commenced a 5-year term as Fair Work Ombudsman this year on 1 September 2023. I am incredibly proud to lead an organisation that delivers such important services for the community and I look forward to what the OFWO can achieve in the years ahead.

I would also like to acknowledge and thank my predecessor, Sandra Parker PSM, for her excellent work in leading the OFWO for the past 5 years.

The changing workplace relations landscape

It is a crucial time to be leading the OFWO. In 2022–23, the Commonwealth Parliament passed significant changes to Australian workplace laws that enhance entitlements and provide important new responsibilities and funding to the OFWO:

- ▶ The Australian Building and Construction Commission (ABCC)'s role enforcing the *Fair Work Act 2009* (FW Act) in the commercial building and construction industry transferred to the OFWO.
- ▶ The OFWO can now investigate allegations of the new prohibition on workplace sexual harassment.
- ▶ Employees across Australia are now entitled to 10 days of paid family and domestic violence leave. The OFWO has played a critical role informing employers and employees about this change, and will also have an important enforcement role.
- ▶ The *Protecting Worker Entitlements Act 2023* (PWE Act) has added entitlements to the National Employment Standards (NES), including superannuation and the right for certain employees to request flexible work arrangements. The PWE Act also ensures unpaid parental leave is more flexible, confirms protection for migrant workers, and further supports gender equality and fairness.

We have invested significant time and resources to ensure these measures are integrated into the free and high-quality services and resources we provide to the Australian community. The OFWO's education and information resources have been designed to help guide employers and their employees through the changes to workplace laws.

OFWO priorities delivering results

The OFWO is responsible for ensuring workplace compliance of all national system workplaces across the country, which combined, engage about 13.8 million people. It's a significant task and each year we set annual priorities to help us focus our efforts where workers, and in particular vulnerable workers, are at the greatest risk of underpayments and exploitation.

Guided by our priorities, in 2022–23 we:

- ▶ resolved 16,812 matters, leading to almost \$509 million in recoveries for more than 250,000 underpaid workers
- ▶ initiated 977 targeted compliance activities in high-risk sectors that returned nearly \$77 million to nearly 21,000 underpaid workers
- ▶ saw record levels of engagement with our expanded suite of information and education materials, which, for some materials, are available in more than 30 languages, including Auslan
- ▶ delivered community and stakeholder engagement activities and ran communications campaigns to promote our resources and help drive workplace law compliance.

Education

The OFWO provides high-quality information and education products to its customers to help drive workplace law compliance.

Our online resources remain our most accessed channel. Combined visits to our website (and various subsites) surpassed 27 million visits for the second consecutive year, while our Pay and Conditions Tool received a record 6.4 million visits.

Our Fair Work Advisors provide tailored advice over the phone, and we also manage a significant social media presence. These are popular channels for people to access nuanced information about their rights and obligations, and in 2022–23 we handled more than 370,000 enquiries, ensuring workers and businesses received the guidance and support they need.

It is also vital we get out into the community to meet with stakeholders and community members face-to-face to inform and educate them about workplace rules and regulations. We regularly engaged with industry stakeholders on a range of issues, and spoke directly with a large cross section of the community to maximise our reach and educate employees and employers about their workplace rights and obligations.

Holding businesses to account

Where necessary, the OFWO takes court action to hold law-breaking businesses to account. In 2022–23 we commenced 81 litigations for a range of alleged contraventions under the FW Act.

In a first for the OFWO, we commenced court action against a franchisor, 85 Degrees Coffee Australia Pty Ltd (the head franchisor of the '85°C Daily Cafe brand), alleging it is legally liable for alleged FW Act contraventions by its franchisees, including underpayments of workers.

We also continued to take court action against large corporate entities for alleged breaches of the FW Act. In 2022–23 we commenced action against Super Retail Group and its subsidiaries for alleged underpayments. This is also the first court action where the OFWO has alleged breaches by a holding company for contraventions by its subsidiaries.

This brings to a total of 4 active matters we now have in court against large corporate entities following action taken in previous years against the Commonwealth Bank, Coles and Woolworths.

Large corporates

Underpayments by large corporate businesses (those with a gross income of more than \$250 million in a given financial year) continue to be a concern for the OFWO. In the 2022–23 financial year, we recovered more than \$220 million for nearly 140,000 underpaid employees in the sector.

What we are noticing through our investigations into large corporate underpayments is that non-compliance is often driven by ineffective governance and a lack of investment in payroll systems, expertise and monitoring. While we have observed improvements in compliance in the large corporate sector, we are still seeing significant issues and far too many workers being underpaid.

The OFWO will continue to investigate large corporate matters and ensure workers are back-paid and large businesses held to account, including via court action where necessary.

Outlook

The OFWO has achieved strong outcomes in the 2022–23 financial year. A key challenge ahead for me over the next 5 years is assessing how and where we can build on these strong foundations to continue to make a meaningful impact and utilise the finite resources we have to maximum effect.

The OFWO's stated purpose is to promote harmonious, productive, cooperative and compliant workplace relations in Australia, and it will be a key focus of mine in the years ahead to ensure we are working towards achieving this purpose.

We will continue our important enforcement and compliance activities, which are necessary where we identify serious breaches of the law. It's also vitally important we continue to explore and address the drivers of non-compliance and leverage education and engagement activities to achieve the purpose of the OFWO.

I am also keen to explore working more closely with trade unions, employer associations and small business representatives to leverage their natural role in preventing and tackling workplace contraventions.





PART 1

Entity overview

Performance snapshot

Entity structure

Performance snapshot

OVERALL



\$509 MILLION
TOTAL RECOVERIES

- through requests for assistance involving a workplace dispute, OFWO-initiated activities, and large employers self-reporting underpayments



251,475
workers back-paid



15,770
completed disputes



626
infringement
notices issued



\$3.7 MILLION
secured in court-
ordered penalties



2,424
compliance notices
issued recovering
\$14.8 million



3,536
investigations into
complex or significant
matters recovering
\$17.9 million



15
enforceable
undertakings recovering
\$40.3 million



977
targeted compliance
activities in high-risk
sectors that returned
nearly \$77 million



\$220 MILLION
LARGE CORPORATES

- Recovered for nearly 140,000 workers
- Large corporates are defined as businesses with a gross income more than \$250 million in a financial year



14,309
anonymous reports
received

EDUCATION AND ASSISTANCE

**330,000**

enquiries answered

**162**media releases
published**291,274**

calls answered

**574,000**

email subscribers

ONLINE SERVICES

**6.4 MILLION****RECORD NUMBER OF PAY AND CONDITION TOOL VISITS**

► More than 7.1 million pay tool calculations made

**27 MILLION**

total website visits

**121,000**pages translated into
another language**54,517****RECORD NUMBER OF ONLINE LEARNING
CENTRE COURSES COMMENCED****198,182**

facebook followers

**76,368**

linkedin followers









**21,665**

twitter followers

Entity structure

Figure 1: Entity organisation structure as at 30 June 2023



	Michael Campbell <i>Chief Operating Officer</i>		Rachel Volzke <i>Chief Counsel</i>
	Simon Delamont <i>Executive Director</i> People		Phoebe Nicholas <i>Executive Director</i> Legal Compliance & Enforcement 1
	Dimitar Dimitrovski <i>Executive Director</i> Technology		Janine Dennis <i>Executive Director</i> Legal Compliance & Enforcement 2
	Tom O'Shea <i>Executive Director</i> Corporate Services		Gabrielle Lewis <i>Executive Director</i> Advice

* Anna Booth was appointed on 1 September 2023, with Sandra Parker occupying the position of the Fair Work Ombudsman prior to that date. Anna Booth, the Fair Work Ombudsman, is the agency head for the purposes of the *Public Service Act 1999* and is the accountable authority for the purposes of finance laws.





PART 2

Office of the Fair Work Ombudsman performance report

Office of the Fair Work Ombudsman
annual performance statement 2022–23

The changing regulatory landscape

Our priorities, services and activities

Investigations and activities

Enforcement outcomes

Online services

Advice, education and dispute-resolution
services

Office of the Fair Work Ombudsman annual performance statement 2022–23

Statement of preparation

I, Anna Booth, as the Entity's accountable authority, present the 2022–23 annual performance statement as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The statement is based on properly maintained records, accurately reflects the Entity's performance, and complies with subsection 39(2) of the PGPA Act.

Purpose

The OFWO is the Australian Government agency responsible for ensuring compliance with workplace relations laws through advice, education and where necessary enforcement. Our purpose, derived from the *Fair Work Act 2009* (FW Act) is to promote harmonious, productive, cooperative and compliant workplace relations in Australia.

Reporting framework

The OFWO measures its performance against its purpose using measures and targets that are outlined in the Portfolio Budget Statements (PBS) and the Corporate Plan, which also includes our functions, key activities and priorities.

Performance

Our performance measures for 2022–23 demonstrated our efforts to promote compliance with workplace laws by supporting the community to understand and comply with their workplace relations obligations. In particular:

- ▶ our impact on harmonious, productive, cooperative and compliant workplace relations
- ▶ the quality of our advice and assistance services
- ▶ the effectiveness of our digital tools
- ▶ the timeliness of the assistance we provide in finalising workplace disputes
- ▶ the appropriateness of our compliance and enforcement activities
- ▶ our commitment to working with our stakeholders to develop our priorities.

Summary of results

Our overall performance for 2022–23 resulted in achieving or partially achieving all of our Key Performance Indicators (KPIs).

KPI 1 – Achieved

KPI 2 – Achieved

KPI 3 – Achieved

KPI 4 – Achieved

KPI 5 – Partially achieved

Throughout the reporting period we successfully delivered quality and useful products, resources and services to the community to promote harmonious, productive, cooperative and compliant workplace relations in Australia. These results demonstrate our ongoing commitment to achieving our purpose.

Detailed results and analysis

Section 1: Performance measures relating to our activities in providing education, assistance, advice and guidance to employers, employees, outworkers, outworker entities and organisations.

KPI 1: OFWO has a positive impact on harmonious, productive, cooperative and compliant workplace relations

Source: 2022–23 OFWO Corporate Plan and Portfolio Budget Statements, Outcome 1, Program 1.1.

Performance Measure	Measure	2021–22	2022–23		Achieved
		Result	Target	Result	
OFWO will undertake an annual survey to determine stakeholder satisfaction levels. Year-on-year results will be used to measure changes in stakeholder satisfaction.	Percentage of stakeholder responses demonstrating a rating of satisfied or better	94%	Greater than 75%	79%	✓

Measurement methodology

119 stakeholders were invited to participate in the survey.

Stakeholders were asked:

Based on the interactions you have had with the OFWO in the last 12 months, are you satisfied the OFWO has a positive impact on harmonious, productive, cooperative and compliant workplace relations?

Stakeholders could select from yes/no options.

Stakeholders were invited to participate by a senior executive of the OFWO via direct email containing a link to the online survey. Of the 119 surveyed, 14 responded (12%). The final result was reached by taking the percentage of respondents to the survey who answered 'Yes'.

For the purpose of the survey a stakeholder is defined as organisations/individuals that engaged with the OFWO during the reporting period and:

- ▶ represent the regulated community on behalf of employers or workers
- ▶ support and assist employers or workers
- ▶ are active in strategically important or priority areas for the OFWO
- ▶ conduct other government work that intersects with, or contributes to, work undertaken by the OFWO, or
- ▶ conduct research on behalf of the OFWO and/or in an area relevant to the OFWO's work.

Analysis and further information

KPI 1 measures how stakeholders view the OFWO's impact on harmonious, productive, cooperative and compliant workplace relations. Our Engagement Branch identified 119 stakeholders for participation in the survey based on those who had active engagement with the OFWO throughout the year and who met the above definition. The highly targeted nature of this survey group means that the sample of responses from results year-on-year can be volatile and is a factor when interpreting the results. Furthermore, the survey approach changed in 2022–23 to increase response rates from the previous year.

The responses received to this KPI question indicated a high stakeholder satisfaction rate when engaging with the OFWO and its services and resources. Of the stakeholders who responded to the survey 79% were satisfied that the OFWO has a positive impact on harmonious, productive, cooperative and compliant workplace relations.

Complementing this formal survey, the OFWO actively engages with relevant stakeholders to enhance our understanding of the reasons for non-compliance with workplace laws and to inform our education and compliance activities. We regularly receive feedback that informs our work and priorities. The OFWO will continue to reassess the approach to surveying stakeholders and respond to stakeholder feedback received through engagement activities.

KPI 2: OFWO provides high quality of advice and assistance

Source: 2022–23 OFWO Corporate Plan and Portfolio Budget Statements, Outcome 1, Program 1.1.

Performance Measure	Measure	2021–22	2022–23		Achieved
		Result	Target	Result	
OFWO will undertake ongoing surveys to determine customer satisfaction levels. A sample of customers who have interacted with our advisers through the Fair Work Infoline will be asked to participate in the surveys.	Percentage of customer responses demonstrating a rating of satisfied or better	82%	Greater than 75%	84%	✓

Measurement methodology

Customers were randomly selected to participate in the survey within 5 business days of their phone enquiry to the Fair Work Infoline being closed as advice provided.

Customers were selected from the following customer groups:

- ▶ employees currently employed
- ▶ employees no longer employed
- ▶ small business
- ▶ medium to large business
- ▶ employee and employer representatives.

The following customers were excluded from the survey:

- ▶ those with an ongoing matter with the OFWO
- ▶ those whose matter is out of the OFWO's jurisdiction and independent contractors
- ▶ those who have previously advised they do not wish to be surveyed, have already been surveyed in the current month or have asked to remain anonymous.

Customers were asked the following question:

How satisfied were you with the quality of advice and assistance you received from the Fair Work Ombudsman?

Response options available are: 'Very satisfied; Somewhat satisfied; Neither satisfied nor dissatisfied; Somewhat dissatisfied; Very dissatisfied.'

Customers were invited to participate via direct personalised email containing an individual link to the online survey.

The survey was conducted over 2 survey periods each month (approximately 2 weeks apart) to ensure interactions were representative of the whole month.

The response rate on average this financial year has been 16%. The number of customers surveyed for the year was 27,150 with 4,352 responding. This ensured a 95% confidence level was achieved. This means there is a 19 out of 20 chance that if we surveyed every phone customer, our results would be within + or -5% of the actual result.

The final result was calculated as a percentage and is based on the total number of customers who responded they were very satisfied or somewhat satisfied with our advice and assistance, divided by the total number of respondents, and multiplied by 100 to get the percentage.

Analysis and further information

KPI 2 measures the level of satisfaction that our customers have with the advice and assistance they have received from the Fair Work Infoline.

Each month we undertake surveys to determine customer satisfaction levels. Understanding how satisfied a customer is with the advice and assistance they receive helps to identify when the current service offering is meeting the needs of our customers, and importantly opportunities to assess improvements to our services.

Our satisfaction rating at 84% means that more than 4 out of every 5 customers feel that the quality of advice and assistance they received from the OFWO meets their needs.

KPI 3: OFWO's digital tools are effective

Source: 2022–23 OFWO Corporate Plan and Portfolio Budget Statements, Outcome 1, Program 1.1.

Performance Measure	Measure	2021-22	2022-23		Achieved
		Result	Target	Result	
The OFWO will use a combination of quantitative data and customer surveys to:					
▶ report on digital tool usage numbers and year-on-year changes		22.6 million	N/A	26.8 million	✓
▶ survey customers to determine percentage of digital tool users who report that tools improved their understanding of workplace rights and obligations	Percentage of customer responses demonstrating a rating of satisfied or better	79%	75%	81%	✓

Measurement methodology

All desktop users who visit the OFWO's website (fairwork.gov.au) during the survey period are invited to participate in the survey.

Users were asked the following question:

Did the information you found today help you understand your workplace rights and obligations?

The OFWO offers desktop users of our website the option to complete an exit survey on their first visit to fairwork.gov.au during the survey week.

The survey is currently offered via a pop-up message to desktop users only. Mobile users aren't offered the survey for technical and usability reasons but can elect to participate via a link in a news article that is available on the homepage of the website while the survey is available. Mobile users account for approximately 50% of all website traffic and the availability of technology enhancements to proactively offer the survey to mobile users for future surveys continues to be explored.

The number of customers surveyed each quarter varies and is based on a formula that uses expected visitor volumes to determine the ideal sample size. The total number of responses received to this question across the four quarters was 2,529. The confidence level and margin of error are set to ensure that for 95% of the time the results will be + or - 5% representative of satisfaction levels of web users for the relevant period.

The final result was calculated by taking the total number of customers who answered that they did find the information helpful and dividing it by the total number of responses for all valid responses to that question and multiplying it by 100 to get the percentage.

Customers are survey respondents who are asked to self-identify as:

- ▶ employees
- ▶ employers
- ▶ representatives (including accountants, lawyers, HR practitioners, union reps or parents)
- ▶ other (including students, media).

Analysis and further information

KPI 3 focuses on the initiatives and activities undertaken by OFWO to support customers and the community to understand and comply with their workplace relations obligations.

The website offers a broad range of information and hosts a range of digital tools and resources. Website usage numbers increased from 22.6 million visits in 2021–22 to 26.8 million visits in 2022–23. We also recorded an increase in the use of our Pay and Conditions Tool (PACT), which increased almost 13% from over 5.6 million visits in 2021–22 to 6.4 million visits in 2022–23.

Each quarter, an exit survey is offered to all desktop users who visit the OFWO's website (fairwork.gov.au) during the survey period (one week). The results are measured as a percentage of customers who respond in the affirmative.

Our results for KPI 3 confirm that our digital tools continue to be effective for our customers, improving their understanding of workplace rights and obligations.

Section 2: Performance measures relating to our activities in promoting and monitoring compliance with workplace laws and inquiring into and investigating breaches of the FW Act and taking appropriate enforcement action.

KPI 4: Percentage of requests for assistance involving a workplace dispute finalised in an average of 30 days

Source: 2022–23 OFWO Corporate Plan and Portfolio Budget Statements, Outcome 1, Program 1.1.

Performance Measure	Measure	2021–22	2022–23		Achieved
		Result	Target	Result	
The OFWO will use quantitative data to determine the percentage of matters finalised within an average of 30 days of the request for assistance being received.	Percentage of matters finalised within an average of 30 days	97%	At least 85%	91%	✓

Measurement methodology

The closure period of finalised requests for assistance (RfA) is sorted by time of finalisation from shortest to longest, and then the maximum number of the fastest resolved RfA that still leads to an average resolution time of 30 days or fewer is determined. This number is then divided by the total number finalised in the financial year to calculate the percentage.

A RfA is where a customer seeks assistance that is beyond the provision of advice (this does not include proactive initiatives or self-disclosures).

Analysis and further information

KPI 4 demonstrates how the OFWO is efficiently resolving workplace issues, using timeliness as a measure to demonstrate that RfAs involving a workplace dispute are promptly investigated.

During the reporting period, the OFWO exceeded the targets set for this KPI. When considered in conjunction with the enforcement outcomes achieved in KPI 5, the results shows that the OFWO is successfully balancing the efficiency of how it delivers outcomes with the appropriateness of the use of compliance and enforcement action.

The lower result for KPI 4 in 2022–23 was due to an increased number of court actions (litigations) being taken during the past 2 financial years. Where court action is required, that RfA is not considered finalised until the court decision and penalty is determined.

KPI 5: OFWO takes appropriate enforcement action

Source: 2022–23 OFWO Corporate Plan and Portfolio Budget Statements, Outcome 1, Program 1.1.

Performance Measure	Measure	2021–22	2022–23		Achieved
		Result	Target	Result	
The OFWO will use a combination of quantitative data and case studies to demonstrate that we:	Compliance notices issued	2,345	2,000–2,500	2,424	✓
	Penalty infringement notices	492	400	626	✓
▶ apply a risk-based approach to enforcement action in accordance with the OFWO's compliance and enforcement policy*	Enforceable undertakings entered into	9	20	15	✗
	Litigations filed	136	65–70	81	✓
▶ develop annual strategic compliance and enforcement priorities to guide our approach**	Annual strategic compliance and enforcement priorities developed and announced	✓	✓	✓	✓

Measurement methodology

* The number of compliance notices (CNs) and penalty infringement notices (INs) issued, enforceable undertakings (EUs) entered into, and litigations filed is a straight count of each for the reporting period obtained from the OFWO's case management system.

** Publicly announced annual strategic compliance and enforcement priorities.

Analysis and further information

The targets set relating to the use of enforcement tools remain the same as the previous reporting period.

The OFWO commenced 81 litigations during the 2022–23 reporting period, which exceeded the upper range KPI for that tool. These matters included a range of higher and lower complexity proceedings, which reflect the range of the OFWO's enforcement work. (See case studies below.)

The number of CNs issued in the reporting period (2,424) was higher than last reporting period by 3.5%, demonstrating the OFWO's ongoing commitment to ensuring compliance with workplace laws and the efficient rectification of wage underpayments.

While the OFWO did not achieve the target set for EUs, the result was higher than the last reporting period by 66%, reflecting the OFWO's responsibility as a model litigant and noting EUs provide an alternative to litigation for those companies that have not engaged in deliberate non-compliance, admit to the contraventions, cooperate fully with the OFWO's investigations, and commit to sustainable compliance measures.

During the reporting period, the OFWO achieved or exceeded 4 out of the 5 targets. The components that make up KPI 5 have been equally weighted, each representing 20% of the overall KPI. Having met 4 out of the 5 components, we have partially achieved KPI 5 with 80% of the measures and targets being met.

The OFWO is satisfied that the enforcement outcomes delivered represent an appropriate and proportionate use of available compliance and enforcement tools, and is consistent with our enforcement posture, reflecting an increased use of CNs and INs to ensure compliance with minimum entitlements in awards and agreements, as well as record-keeping and pay slip regulation.

The OFWO is confident that we have achieved the right balance between taking strong effective action against the most serious breaches of the law, and supporting compliance through education, advice and intervention where non-compliance is inadvertent or accidental.

Case studies

University of Melbourne (general protection – casual academic underpayments): page 26

85 Degrees (franchisor provisions): page 27

NQ Powertrain and Lotus Farm (horticulture non-compliance): page 28

Suncorp EU: page 35

Super Retail Group: page 36

Make Dough (franchisor provisions): page 36

The changing regulatory landscape

The last financial year has seen several key legislative amendments to the *Fair Work Act 2009* (FW Act) and the *Fair Work Regulations 2009* (FW Regulations), including enhancements to a range of employee entitlements and important new responsibilities and funding for the OFWO. It's our role to not only ensure compliance with new workplace laws, but to educate, assist and provide advice about how workforce participants can meet their obligations. We regularly provided high quality advice and resources to educate and support our staff and customers.

Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022

In December 2022 the *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022* (SJBPA) was passed by Parliament. Changes brought about by the SJBPA include:

- ▶ abolition of the Australian Building and Construction Commission (ABCC) on 6 February 2023. Some ABCC functions were transferred to the OFWO
- ▶ abolition of the Registered Organisations Commission (ROC) on 6 March 2023 and moving all of the ROC's functions to the Fair Work Commission. The previously named Fair Work Ombudsman and Registered Organisations Commission Entity (FWOROCE) became the OFWO from 6 March 2023
- ▶ amendments to the existing Fair Work legislation, include (but are not limited to):
 - a prohibition against workplace sexual harassment
 - prohibitions against employers advertising jobs with a pay rate lower than the applicable minimum pay rate
 - changes to the right to request flexible working arrangements
 - placing limitations on the use of fixed-term contracts and introducing a requirement for the OFWO to publish a new Fixed Term Contract Information Statement (these amendments are expected to commence on 6 December 2023)
 - a prohibition on pay secrecy clauses in employment contracts
 - an update to the OFWO's functions to incorporate provision of guidelines and community outreach in multiple languages
 - the addition of breastfeeding, gender identity and intersex status to the range of protected attributes for workplace discrimination.

Building and construction

On 10 November 2022, the ABCC's role enforcing the FW Act in the commercial building and construction industry transferred to the OFWO. Since taking on this responsibility, we have made significant investments in:

- ▶ building internal capability to meet our responsibilities in regulating the building and construction industry, including through creating a new Industrial Compliance Branch whose responsibilities include enforcement activities relating to industrial matters and workplace protections, to complement the OFWO's wage underpayments work in the industry
- ▶ engaging and consulting with key stakeholders across the industry, including employee and employer representative organisations, and other government agencies
- ▶ developing information, education resources and communication activities for industry employers, employees, and participants to help them understand their workplace rights and obligations.

Our regulatory approach to the building and construction industry is consistent with how we regulate other workplaces across the country: intelligence-led and guided by our Compliance and Enforcement Policy, regulatory priorities, and ultimately through an assessment of public interest and deterrence value in the use of public resources.

Respect@Work

There have been a range of legislative amendments made arising out of the Respect@Work Report, including the express prohibition on workplace sexual harassment introduced into the FW Act by the SJPB Act. We have prepared our staff with dedicated training from the Australian Human Rights Commission (AHRC) on the nature, drivers and impacts of sexual harassment, and established a new team dedicated to investigating allegations of workplace sexual harassment. We also updated key information and resources across our website and promoted the changes through various communications channels. We'll continue to work closely with our partners on the Respect@Work Council to implement the recommendations from the Respect@Work Report.

Fair Work Amendment (Paid Family and Domestic Violence Leave) Act 2022

The *Fair Work Amendment (Paid Family and Domestic Violence Leave) Act 2022* was passed by Parliament in October 2022 and provides employees with a new entitlement to 10 days of paid family and domestic violence leave (FDV leave). The new paid FDV leave entitlement replaced the previous entitlement to 5 days of unpaid FDV leave. The paid FDV leave entitlement applies to full-time, part-time and casual employees, and commenced on 1 February 2023 for most employees, and on 1 August 2023 for employees of small businesses.

In response to the introduction of paid FDV leave into the existing National Employment Standards (NES), the OFWO undertook many activities to educate employers and employees. This included targeted social media campaigns, updating fairwork.gov.au with new information and online learning resources, sending email updates to our subscribers, delivering online webinars, and updating our education resources. For more information on paid FDV leave in terms of our online services, see page 39.

Fair Work Legislation Amendment (Protecting Worker Entitlements) Act 2023

The *Fair Work Amendment (Protecting Worker Entitlements) Act 2023* (PWE Act) sees a number of amendments to the FW Act relating to superannuation (added as an entitlement in the NES), unpaid parental leave (including increasing flexible unpaid parental leave from 30 to 100 days), clarification of FW Act application to migrant workers, and the rules for employee authorised deductions. The PWE Act received Royal Assent on 30 June 2023. Ahead of these changes coming into effect throughout 2023 and 2024, the OFWO has been preparing to inform and educate the community by: training our frontline staff, updating our website and online resources, promotional activity including through our social media channels, sending email updates to our subscribers, and targeted community engagement activities.

Our priorities, services and activities

The OFWO provides education and advice, as well as utilises a range of dispute resolution tools to promote harmonious, productive, cooperative and compliant workplace relations.

We also enforce workplace laws in response to requests for assistance, and through proactive OFWO-initiated activities. Further details about our functions and approach are included in our Purpose and our Compliance and Enforcement Policy, both of which are available at **fairwork.gov.au**.

In 2022–23, we recovered almost \$509 million in unpaid wages and entitlements for more than 250,000 employees through RfAs involving a workplace dispute, OFWO-initiated activities, and large employers self-reporting underpayments. Following the record breaking \$532 million in recoveries for the 2021–22 period, the OFWO has recovered more than \$1 billion in the past 2 financial years for more than 600,000 underpaid workers.

This significant result is testament to the success of our targeted, risk-based approach guided by our 2022–23 Compliance and Enforcement Priorities.

Our priorities allow us to target our resources, directing them proactively and strategically to matters and industries where intelligence and data indicates there are high risks of non-compliance.

We regularly and publicly communicate our compliance and enforcement outcomes to ensure we are being transparent about our operations. Further, publicity for our work can have a strong deterrent effect so that the community understands the consequences of breaking workplace laws.

We also use these messages to educate employers and employees about important compliance issues in the workplace, and encourage employees to come forward for assistance. In 2022–23, our Media team published 162 media releases, which largely focused on compliance and enforcement matters. Various media releases are amplified through our social media channels to increase the reach and impact of the deterrence message and support increased awareness of the OFWO and our activities.

Investigations and activities

2022–23 Compliance and Enforcement Priorities

For 2022–23 our main priority remained supporting workers and businesses as they recovered from the impacts of COVID-19. We also prioritised the following sectors and issues:

- ▶ fast food, restaurants and cafes (FRAC)
- ▶ agriculture
- ▶ sham contracting
- ▶ large corporate and university sectors
- ▶ contract cleaning.

In 2022–23, we also confirmed our enduring commitment to prioritise small business employers and employees, and vulnerable workers.

We also continued to focus on matters that:

- ▶ are of significant public interest
- ▶ demonstrate a blatant disregard for the law
- ▶ are of significant scale and impact on workers or the community
- ▶ can provide guidance on the application of the law.

Compliance activities

This financial year we secured significant recoveries from our targeted compliance activities. Guided by our Priorities, we targeted high-risk industries, particular geographic regions, and employers with a high risk of non-compliance.

Our targeted compliance activities allow us to:

- ▶ verify our intelligence by identifying and pursuing priority industries, sectors and employers with high risks of non-compliance
- ▶ better understand the drivers of non-compliance
- ▶ provide targeted education, information and advice to non-compliant employers
- ▶ develop strategies to sustain behaviour change
- ▶ recover wages for underpaid employees.

In 2022–23 we initiated 977 targeted compliance activities and recovered almost \$77 million in unpaid wages for 20,974 underpaid employees.

Our targeted compliance activities are based on intelligence and deliberately target businesses that are likely to be non-compliant. Most contraventions related to:

- ▶ underpayment of hourly rate
- ▶ failure to correctly pay weekend penalty rates
- ▶ advertising pay rates in contravention of the FW Act.

Anonymous reporting

If members of the public suspect a workplace (including their own) is breaching workplace laws, they can discreetly notify us via our anonymous report tip-off tool. This tool is often used by vulnerable people, such as young or migrant workers.

To support visa holders and migrant workers – some of the most vulnerable cohorts for workplace exploitation – the tip-off tool is available in 16 different languages (in addition to English). This allows these vulnerable groups to report workplace issues anonymously in their own language, removing one of the barriers that can prevent these workers from seeking assistance.

Anonymous report data combined with operational data and research helps to inform and improve our targeted compliance activities.

In 2022–23 we received 14,309 anonymous reports (up from 12,728 the previous financial year), with young employees (4,933 reports) and visa holders (2,795 reports) submitting the majority of these. Since we first launched the anonymous reporting tool in April 2016, we have received more than 100,000 anonymous tip-offs.

Across all reports, the dominant industries were hospitality and retail, involving 34% and 13% of all anonymous tip-offs respectively.

Anonymous reports consistently highlight the need for the OFWO to continue prioritising the FRAC sector where many vulnerable workers are employed.

Of the 14,309 reports received, 600 were submitted in languages other than English (up significantly from the 377 made in 2021–22) and the majority of these related to hospitality (46%), food manufacturing and processing (13%), and building, construction and on-site trades (8%). The top languages in which anonymous reports were received were:

- ▶ simplified Chinese 25%
- ▶ traditional Chinese 18%
- ▶ Korean 17%
- ▶ Japanese 11%
- ▶ Spanish 10%.

FWO Notices

A FWO Notice is a written notice issued under the FW Act during certain OFWO investigations that can force a person to:

- ▶ provide information
- ▶ produce documents
- ▶ appear before the OFWO at a specific time and place to answer questions relevant to an investigation.

The Administrative Appeals Tribunal may issue a FWO Notice on application by the OFWO, where the tribunal agrees that there are reasonable grounds to believe the person receiving the notice can assist an investigation.

Failure to comply with a FWO Notice can result in court-ordered penalties.

In 2022–23, 4 FWO Notice examinations were conducted where other avenues to obtain evidence were unsuccessful or not appropriate.

Investigations in response to requests for assistance

In 2022–23, we conducted 3,536 investigations into complex or significant matters (including those involving vulnerable workers, serious non-compliance and/or uncooperative employers) in response to RfAs involving a workplace dispute. From these investigations, we recovered more than \$17.9 million in underpayments.

Large corporates underpayments

The prevalence and magnitude of large corporates underpayments, including by some of Australia's biggest employers, continued to be concerning and disappointing in the past financial year. We define large corporates as corporate groups with a gross income of more than \$250 million in a given financial year.

In the past 3 and a half years we have investigated more than 100 large corporates. We have increasingly seen issues such as:

- ▶ inadequate annualised salary arrangements that fail to compensate employees for minimum entitlements
- ▶ failure to implement enterprise agreement obligations or undertakings
- ▶ failure to address known issues before comprehensive organisational reviews are undertaken
- ▶ ineffective governance (sometimes complacency)
- ▶ a lack of investment in payroll systems and staff, record-keeping systems, expertise and auditing.

Often large corporate underpayment matters date back many years and can involve millions of dollars owed to thousands of workers. These are time-consuming and complex matters for the OFWO; our ongoing work with large corporates directly helps us provide assurance to workers and the community that all entitlements owed will be paid.

We have an established a Large Corporates Branch that strategically monitors and targets non-compliance in the sector. Since July 2020, we have recovered a total of \$545 million for more than 437,000 underpaid workers from the large corporates sector.

We continue to create a stronger culture of accountability with our OFWO-initiated investigations and ongoing media focus, resulting in large numbers of self-reports. While we welcome businesses coming forward and being transparent with the OFWO, the market, workers and their representatives about non-compliance, it is concerning to see that the frequency and seriousness of disclosures show no signs of declining.

While the majority of large corporates underpayments are self-reported to the OFWO, there is a significant amount of work involved in verifying the underpayments and taking appropriate enforcement action where we may determine underpayments are significantly higher than the initial self-report or amounts ultimately calculated by the employer.

In 2022–23, the OFWO recovered around \$220 million in underpayments for nearly 140,000 workers from the large corporates sector.

Some notable matters involving large corporates in 2022–23 included:

- ▶ taking court action against Super Retail Group and its subsidiaries Super Cheap Auto, Rebel Sport, SRG Leisure Retail (trading as BCF and Ray's Outdoors) and Macpac. Our legal action focuses on a sample of 146 of the allegedly underpaid employees across the group. We allege that the employees were underpaid a total of approximately \$1.14 million for their work between January 2017 and March 2019. The Court has not determined liability in this matter.
- ▶ recovering \$32 million in total (\$25.4 million of which was recovered in the 2022–23 financial year), including interest and superannuation, for 15,912 underpaid Suncorp employees.
- ▶ the start of the liability hearing in relation to the Coles and Woolworths underpayment matters. The Court has not handed down a liability decision in these matters.

There is still significant work to be done in addressing alarming rates of non-compliance with workplace laws in many of Australia's largest corporations. In June 2023, Australia's largest company by market capitalisation, BHP Group, self-disclosed underpayments of around \$430 million to the OFWO. Our investigation into this matter is ongoing.

Our investigation activities and outcomes send a message that all employers – including and especially large corporates – must place a higher priority on addressing payroll issues, enhancing workplace relations systems and governance, and engaging expertise to ensure they are paying employees all their lawful entitlements.

We continue to encourage all employers to cooperate with us to correctly rectify non-compliance and ensure it does not reoccur.

Universities

The university sector was a new priority for the OFWO in 2022–23, following intelligence, complaints from staff and unions, media reports and self-reports of significant underpayments, including for casual workers. In late 2020 the OFWO wrote to the university sector outlining concerns about underpayments and non-compliance with workplace relations laws. More than half of the university sector has engaged with the OFWO in some capacity and our interactions range from monitoring the progress of a university's review into its compliance status, and dealing with individual RfAs from employees, through to large-scale investigations and in some cases, court action.

Since 1 July 2020, the OFWO has recovered \$116.4 million for employees in the university sector. In 2022–23 we recovered more than \$96 million for 26,526 employees, and took targeted enforcement action against 4 universities:

- ▶ the University of Melbourne (2 separate proceedings filed in the Federal Court alleging general protections and underpayment contraventions, in August 2022 and February 2023 respectively)
- ▶ Charles Sturt University (EU, August 2022)
- ▶ the University of Newcastle (EU, August 2022)
- ▶ the University of Technology Sydney (EU, May 2023).

Through our work with the sector, we have identified several trends contributing to non-compliance, including:

- ▶ high number of casual workers
- ▶ poor governance and management oversight practices
- ▶ no centralised human resources functions
- ▶ lack of investment in payroll and time-recording systems
- ▶ control over human resources and pay-related issues mainly devolved to individual faculties and dealt with by academic managers.

To supplement our compliance and enforcement work, we have invested in proactively educating and encouraging workplace compliance in the sector, including by engaging with individual universities, peak university bodies and relevant government agencies, and the Australian Universities Accord Panel.

Through these channels we have sought to raise our concerns, promote our services and resources, and encourage universities to review compliance, embed workplace law compliance into governance models and take responsibility for the issues leading to non-compliance. While in many cases our consultation efforts resulted in these stakeholders recognising the problems and showing a high level of engagement in working with us to address them, we are still seeing ongoing non-compliance requiring considerable investment by the OFWO, given the scale and complexity of the matters.

University of Melbourne litigations

We first commenced litigation against the University of Melbourne in August 2022, alleging breaches of general protections provisions of the FW Act in relation to 2 casual academic employees. We alleged that the University threatened to not re-employ the 2 academics after they complained they were required to work more hours than the 'anticipated hours' provided in their contracts and later that the University decided not to offer one of the academics any further teaching work after they made a further complaint or enquiry about working extra hours.

In February 2023 we commenced a second litigation, alleging the University underpaid 14 casual staff in the Arts faculty around \$154,000 and made false or misleading records. We alleged staff were paid according to benchmarks rather than actual hours worked – the benchmarks varied between schools within the faculty, and included rates based on marking '4,000 words per hour' or 'one hour per student'. We alleged that the University's breaches of its enterprise agreement constituted 'serious contraventions' under the FW Act from 15 September 2017 (when the serious contraventions provisions commenced).

Fast food, restaurants and cafes

The FRAC sector consistently ranks as a high-risk sector due to persistent high levels of non-compliance and large numbers of vulnerable workers. The sector employs 5% of all Australian employees yet accounts for:

- ▶ 13% of all disputes completed
- ▶ nearly one in 4 (22%) of all CNs issued
- ▶ 20% of all litigations filed.

At 34%, hospitality (includes FRAC) was the dominant industry among anonymous reports. Hospitality also accounted for 46% of all in-language anonymous reports (submitted in languages other than English, and typically by young migrant workers), up from 37% the previous financial year.

In total, we recovered \$2.8 million for 1,631 underpaid FRAC employees in 2022–23. In addition, we secured more than \$800,000 in court-ordered penalties against FRAC employers for various breaches of the FW Act. Notably, we completed 67 proactive campaign audits of FRAC businesses in 2022–23 across several major Australian cities, returning \$462,536 to 500 employees.

In April 2023 we commenced legal proceedings against the operators of Hotel Frangos and Café Koukla in regional Victoria after 97 staff were allegedly underpaid \$320,000 under the Hospitality Industry (General) Award. Allegedly underpaid staff included 15 young workers, and workers from countries including Nepal, Pakistan and Armenia. The majority of the alleged underpayments related to 27 full-time staff, including 2 Nepalese cooks working allegedly unreasonable extra hours.

In late November 2022, we secured more than \$192,000 in penalties against the former operators of a Perth cafe (Quickpoint Pty Ltd, a Japanese cafe trading as 'Shimizu Harbour Town') after they deliberately falsified wage records, including knowingly making false pay slips and time-and-wages records, and provided them to the OFWO during our investigation. The former owner also threatened workers and pressured them to mislead the OFWO. This serious matter demonstrates the OFWO's ability and commitment to ensuring workers are paid correct entitlements, as our inspectors will always seek to verify if records provided are accurate.

Two other notable matters (both from March 2023) include \$115,603 in penalties secured against the former operators of a Coffee Club outlet in Victoria after they deliberately underpaid 2 young workers and falsified records; and \$58,950 against a former Perth restaurant operator (Bricklane British Curry House) for exploiting a Bangladeshi visa holder and then dismissing him because he lodged a workers' compensation claim after injuring his back at work.

In February 2023, in an Agency first, we started legal action against a franchisor by utilising the franchisor liability provisions in the FW Act, alleging it is legally liable for alleged contraventions by its franchisees. In this matter, the OFWO alleges 85 Degrees Coffee Australia Pty Ltd (that operates factories and cafes in NSW and the ACT) is liable as a 'responsible franchisor entity' under section 558B(1) of the FW Act for alleged non-compliance by 8 franchisee-operated outlets in Sydney in 2019.

In June 2023 we also started legal action against Bakers Delight Holdings Limited, alleging it is legally liable for extensive underpayments at 3 Hobart stores formerly operated by one of its franchisees. The OFWO alleges that Bakers Delight Holdings is liable for the \$642,162 in underpayments at the 3 stores that occurred after February 2019 because it became aware the franchisee operating the stores had been underpaying staff but failed to take reasonable preventative action – and therefore it either knew or should reasonably have known further underpayments would occur.

We also took legal action against the couple who owned and managed the operations of the stores, as well as their company Make Dough Enterprises Pty Ltd (now in liquidation). In total, we alleged that Make Dough underpaid 142 mainly young employees more than \$1.2 million (with Bakers Delight Holdings allegedly liable for \$642,162 of the \$1.2 million sum).

Our established FRAC Strategy continues to guide our work in the sector. We utilise a multi-pronged approach featuring communications and engagement, education, and enforcement activities to improve compliance levels in this sector and influence positive behavioural and cultural change.

Our dedicated FRAC and FRAC award webpages continue to be increasingly accessed year-on-year. The FRAC section of our website provides advice on workplace law compliance, and also tailored resources, including industry interactive graphic tools that assist employers and employees to understand FRAC award provisions (including pay rates). The section was refreshed in mid-2022 and information is reviewed regularly to ensure it remains accurate, fit-for-purpose and meets user needs. For more information on online FRAC resources, see page 41.

During the financial year we ran several communications activities to increase awareness of minimum wages and conditions in the FRAC sector, including to promote our information and resources. This included promotion of the OFWO's new employer's guide to annualised wage arrangements in the hospitality and restaurant industry, which resulted in more than 7.4 million impressions (the number of times the content was displayed).

Agriculture

The OFWO takes a proactive and targeted approach to addressing workplace law breaches in the agriculture sector as it continues to present as a high-risk sector for worker exploitation, due to, among other features, the following:

- ▶ the nature of the work (time-sensitive and physically demanding)
- ▶ the influence of labour-hire arrangements in distorting a level playing field
- ▶ the characteristics and culture of the workforce (comprising many young visa holders with little understanding of their workplace rights in Australia).

Based on our intelligence holdings and work with other government agencies, our Agriculture Strategy shapes engagement, education and enforcement activities across the sector.

The Strategy involves Fair Work Inspectors conducting a minimum of 20 unannounced site inspections in 15 hotspot non-compliant regions between December 2021 and July 2024. The site inspections allow Inspectors to 'get behind the documents' and test allegations of non-compliance by interviewing workers, managers, growers, labour-hire businesses and third parties in order to test compliance with the Horticulture Award, record-keeping and pay slip regulations, and the NES.

The OFWO is committed to improving workplace law compliance in the sector, in particular ensuring workers receive their entitlements and are not subject to unauthorised deductions or coerced into 'payback' arrangements by employers seeking to leverage the worker's visa status. In the 2022–23 financial year, under the Strategy we completed 272 matters, issued 78 INs and 35 CNs, recovered \$23,126 for 62 workers, and filed 2 notable litigations:

- ▶ In June 2023 we secured \$106,430 in penalties against NQ Powertrain, a former labour-hire company in Queensland. This case involved 87 visa workers (employed under the Pacific Labour Scheme and Seasonal Worker Programme) who were underpaid nearly \$50,000 in entitlements under the Horticulture Award. This included deductions from wages for accommodation costs that were unlawful because they exceeded the actual cost of the accommodation. The impacted workers were from countries including Papua New Guinea, Vanuatu and Solomon Islands.
- ▶ We commenced legal action against Lotus Farms Pty Ltd in Victoria in June 2023, alleging underpayments of around \$30,000 owed to 2 non-English speaking vegetable pickers, serious non-compliance including the production of false and misleading records, and cash-back arrangements imposed on vulnerable employees.

In addition to our compliance and enforcement activities in the agriculture sector, the OFWO also empowers the community through education and awareness about workplace laws. For example, in November 2022 we ran an education communications campaign on Facebook, LinkedIn and regional radio targeted at employees and employers in agriculture, including visa holders, culturally and linguistically diverse (CALD) groups and migrant workers. Our content generated 2.9 million impressions (the number of times the content was displayed) and it included links to our agriculture-specific webpages and downloadable resources such as fact sheets, recording-keeping templates and checklists. We also delivered webinars addressing the common non-compliance issues in the agriculture industry.

COVID-19

In 2022–23 we continued to support the community through the ongoing impacts of the COVID-19 pandemic. The OFWO's advice continued to evolve with the different stages of the pandemic. In 2022–23, while COVID-19 restrictions had largely eased across the country, the OFWO continued to provide advice and assistance in relation to issues such as workplace vaccination rules, COVID-19 testing in the workplace, and attending (or not attending) work while managing COVID-19, primarily via our website and Infoline.

Contract cleaning

The contract cleaning industry was a priority for the OFWO in 2022–23 as our intelligence continued flagging the industry as high-risk for non-compliance. Factors making this a high risk sector include:

- ▶ a workforce that comprises of largely migrant, low paid and part-time workers – all classified as vulnerable because they are at greater risk of exploitation
- ▶ the frequent use of large and complex supply chains with multiple layers of subcontracting and poor governance
- ▶ a significant history of non-compliance in the industry
- ▶ the pressure to recover quickly due to COVID-safe cleaning rules
- ▶ a high business entry rate in the industry that can lead to industry volatility and potentially worker exploitation.

Contract cleaners have different rights and obligations depending on the nature of their engagement. It can be a complex area because workers may be working for:

- ▶ the employer that holds the cleaning contract
- ▶ another employer that has been subcontracted by the contract-holding employer
- ▶ a labour-hire service business
- ▶ a private household.

Contract cleaners make up approximately 2% of the Australian workforce and generated a total of 505 matters for us in 2022–23, including 34 proactively pursued by the OFWO.

We issued 61 CNs and 9 INs and commenced one litigation. We recovered \$6.1 million for 1,433 employees – up significantly from the previous financial year when we recovered \$336,298 for 159 employees. The top 3 contract cleaning allegations included:

- ▶ wages and conditions (16%)
- ▶ final pay (12%)
- ▶ wages – not paid for time worked (11%).

Notable matters from the past financial year include:

- ▶ In April 2023 we secured nearly \$140,000 in penalties against Carnarvon Cleaners Pty Ltd and its sole director after the company admitted to underpayment and record-keeping breaches, including providing false records to our Fair Work Inspectors, despite previous OFWO audits in 2010, 2013 and 2014.
- ▶ We commenced legal action against the former directors of ProClean HQ (now liquidated) in March 2023 for alleged underpayments totalling nearly \$125,000 owed to 5 migrant workers. The matter also involves alleged sham contracting arrangements and breaches relating to allowances, overtime and penalty rates.
- ▶ We secured nearly \$125,000 in penalties against Green Clean Pty Ltd in April 2023 for underpaying 2 international students from Nepal and providing false records. This is the second time we secured penalties against this company. In 2016, Green Clean failed to comply with a CN requiring the company to backpay 2 international students from the Philippines.
- ▶ In January 2023 South Pacific Laundry was penalised \$90,000 for underpaying 22 workers, including visa holders and one young worker aged 17.

To assist workers and employers to understand their obligations in the contract cleaning industry, the OFWO provides dedicated information for the contract cleaning sector on our website. Since its launch, the information has been viewed more than 35,000 times. In January 2023, based on the findings and insights from user testing, we expanded the content to provide more tailored information and new case studies. In April 2023 we launched a downloadable FAQ booklet tailored to employees, employers and independent contractors. The resource covers FAQs identified from user research undertaken including:

- ▶ who is covered by the Cleaning Services Award
- ▶ the differences between an employee and contractor, and sham contracting
- ▶ where pay and entitlements come from, including overtime, penalty rates, allowances and break entitlements
- ▶ employment types and leave types
- ▶ what to do when there is an issue in the workplace
- ▶ who to contact about safety issues in the workplace.

From April to May 2023, we ran a communications campaign to promote and raise awareness of compliance in the cleaning sector as well as promote the recently developed FAQ resource, targeted at employers and workers in the industry. We promoted the campaign across Facebook, LinkedIn, digital display and Google Search with messages in English, Spanish, simplified Chinese and Korean. These activities resulted in more than 28 million impressions (the number of times the content was displayed).

The OFWO also hosts tailored webinars for employers and employees in the cleaning industry. Our most recent webinar was held in April 2023 with content informed by questions received directly from the target audience at registration and based on previous consultation with the Cleaning Accountability Framework (CAF), a multi-stakeholder industry-led initiative that the OFWO helped establish.

We continue to encourage all Australian employers to review their cleaning contracts and seek certification of employment through the CAF, which aims to promote compliance within – and improve standards of – the cleaning services industry via a certification process. The CAF can certify cleaning supply chains and provide assurance that cleaning services are being delivered in a manner that respects workers' rights.

Sham contracting and misclassification

Sham contracting, where an employment relationship is knowingly or recklessly misrepresented as an independent contracting relationship, continued to be a priority for the OFWO in 2022–23. As part of our Sham Contracting Strategy, the OFWO has employed various methods to detect suspected sham contracting and instances of misclassification by investigating allegations of non-compliance disclosed in anonymous reports, referrals, and our intelligence holdings. The Strategy is focused on sham arrangements and misclassification in 4 industries: transport, health care, cleaning and support services.

In March 2023 the OFWO commenced legal proceedings alleging that 5 migrant cleaners in Sydney were underpaid a total of more than \$125,000 and subjected to sham contracting. The litigation has been brought against 2 former directors of ProClean HQ Pty Ltd (that went into liquidation in 2021), alleging that both were involved in the underpayment contraventions, and one of them was involved in the sham contracting contraventions. The cleaners were Sri Lankan and Nepalese nationals, aged between 19 and their early 20s at the time. They were in Australia on student visas and post-study work visas.

In accordance with the High Court's decisions in *Construction, Forestry, Maritime, Mining and Energy Union & Anor v Personnel Contracting Pty Ltd* [2022] HCA 1 and *ZG Operations Australia Pty Ltd & Anor v Jamsek & Ors* [2022] HCA 2, concerning the alleged misclassification of employees as independent contractors, our Inspectors investigate all allegations of non-compliance on a case-by-case basis, carefully assessing what was agreed to and understood by the parties to the dispute, to ensure vulnerable workers are not denied their lawful entitlements as an employee.

Our education and enforcement response to enhance understanding of the laws relating to sham contracting and misclassification is a key element of the Strategy. For more information on our communications activities and our online contracting resources, see page 40.

In 2022–23, we answered 421 calls relating to sham contracting or misclassification, issued 28 CNs and 8 INs, and completed 201 disputes that led to the recovery of \$123,207 for 23 workers.

Vulnerable and migrant workers

Protecting vulnerable and migrant workers is an enduring OFWO commitment, and we prioritise industries with a higher proportion of vulnerable workers.

Migrant workers specifically are of concern because they can have limited knowledge about Australia's workplace rights and entitlements, as well as language and cultural differences that can discourage them from seeking assistance. Migrant workers make up around 7% of the Australian workforce, yet they are overrepresented in our compliance and enforcement work. In 2022–23 they accounted for:

- ▶ 17% of all formal disputes completed
- ▶ 19.5% of all anonymous reports received
- ▶ 15% of all litigations initiated.

Migrant workers lodged formal disputes and we lodged formal disputes on behalf of migrant workers across these top 3 industries:

- ▶ accommodation and food services (37%)
- ▶ administrative and support services (12%)
- ▶ retail trade (10%).

Migrant workers in Australia have the same workplace rights and protections and are entitled to the same minimum pay rates as other workers, regardless of visa type. In 2022–23 we recovered \$151,992 for migrant workers. Notable matters involving migrant workers and visa holders included:

- ▶ In November 2022 securing \$475,200 in penalties against the operator of 85 Degrees Coffee Australia Pty Ltd for exploiting young Taiwanese students in Sydney on working holiday visas under the guise of a purported internship arrangements. The penalty was imposed after 85 Degrees admitted breaching Australian workplace laws by underpaying 8 Taiwanese students \$429,393.
- ▶ Securing more than \$291,000 in penalties and back-payment orders (including interest) against Yeon Beauty Salon Pty Ltd in April 2023. The company underpaid a South Korean visa holder worker their minimum entitlements, required the worker to make unlawful cashback payments, and told her it would cover her leave entitlements and 'amounts associated with her visa' (including training fees, accountants' fees, tax and superannuation). The salon further breached workplace laws by failing to make and keep records, on occasion issued the worker with false and misleading pay slips, and regularly failed to issue any pay slip at all.
- ▶ In May 2023 securing \$47,952 in penalties against Mehtaab Group Pty Ltd, a Melbourne painting company, and a \$9,590.04 penalty against the company's sole director and shareholder. The business failed to comply with a Fair Work Commission Order to pay compensation to a migrant worker (an Indian international student) as a result of an unfair dismissal claim and failed to comply with a CN to pay the worker outstanding annual leave entitlements.

In 2022–23 we continued to break down barriers and address the exploitation of vulnerable and migrant workers through our education and engagement activities. This has been especially pertinent with the number of visa holders with work rights in Australia exceeding one million (as at June 2023).

Amendments to the FW Act as part of the SJBPA Act require the OFWO to make guidelines and other materials as well as community outreach available in multiple languages. We continue to provide information in languages other than English and look to enhance our translation offerings wherever possible. Key activities and initiatives included:

- ▶ continuing to improve the availability of our information by delivering new, professionally translated material on our website (for more information on resources, see Online services on page 37). The OFWO's migrant worker resources include:
 - a dedicated section on **fairwork.gov.au** with information for visa holders and migrant workers
 - a suite of professionally translated information and resources available in more than 30 languages
 - an automatic translation tool that enables most pages across the website to be machine translated into 36 languages (for more information on in-language information, see page 42)
 - a free translating and interpreting service
 - an anonymous reporting tool to report concerns about workplace practices, available in English and 16 other languages
 - a dedicated webpage to support migrant workers in the agriculture and horticulture sectors
 - dedicated OFWO webinars including in-language webinars tailored for migrant workers and employers.
- ▶ regularly running communication social media campaigns – across Facebook, LinkedIn, Twitter and, since February 2022, Instagram – to promote OFWO services, resources and in-language content. These include:
 - an international students' campaign in March 2023, with translated paid advertisements in 7 languages
 - a young workers campaign in November and December 2022, targeting 18–24-year-olds looking for their first jobs
 - an agriculture campaign in November and December 2022, promoting our agriculture and Horticulture Showcase web resources and incorporating radio advertisements (as well as digital) and physical flyers.
- ▶ supporting the Pacific Australia Labour Mobility (PALM) scheme through our educative and enforcement roles (for more information on PALM, see page 33)
- ▶ delivering community engagement activities including webinars and running communications campaigns to promote our resources as part of our regular communication with intermediaries including migrant resource centres, consulates, embassies, community legal centres, community leaders, international education providers and students
- ▶ professionally translating 12 select media releases into languages other than English (including simplified Chinese, traditional Chinese, Nepali, Thai, Korean, Japanese, Vietnamese and Hindi) relevant to particular matters, where we strategically pitched to in-language media outlets and as a result, yielded 30 in-language news articles published in 2022–23. This allowed us to communicate more effectively with CALD communities about workplace non-compliance in industries employing large numbers of CALD workers
- ▶ continuing to work across Government to share information to detect and disrupt employers who exploit vulnerable migrant workers
- ▶ contributing as a member of the Migrant Workers' Interagency Group to collaborate and assist with other government agencies to progress the recommendations of the Migrant Workers' Taskforce
- ▶ contributing to the Government's review of Australia's migration system in December 2022. Our submission outlined our role and activities in the context of migrant workers as well as the Agency's views on the challenges and opportunities associated with addressing migrant worker exploitation. The report was released in April 2023.

Pacific Australia Labour Mobility scheme

The PALM scheme supports eligible Australian businesses in hiring workers from 9 Pacific Island countries and Timor-Leste when there are not enough local workers available.

The PALM scheme is jointly administered by the Department of Employment and Workplace Relations (DEWR) and the Department of Foreign Affairs and Trade (DFAT). Seasonal workers can be employed in any sector in all regional and rural postcodes. All Australian businesses in the agricultural sector can participate in the scheme. The OFWO engages closely with DFAT, DEWR and PALM scheme stakeholders, regularly attending governance and consultative opportunities to support the whole-of-Government approach to maintaining the integrity of the PALM scheme.

In the 2023–24 Federal Budget, the Government announced the OFWO will receive an additional \$27.3 million over 4 years to support the expansion of the PALM scheme. The additional funding allows us to continue our role ensuring overseas workers hired under PALM are paid their correct wages and entitlements.

As at May 2023, there were more than 37,000 PALM scheme workers and more than 400 Approved Employers in Australia. In 2022–23 we continued to support scheme participants and key stakeholders by:

- ▶ conducting investigations and proactive audit activities
- ▶ conducting workplace compliance history checks on potential Approved Employers seeking to participate in the PALM scheme
- ▶ conducting on-arrival briefings for seasonal workers
- ▶ developing and delivering information about the PALM scheme on **fairwork.gov.au**, including information about workplace rights and entitlements and relevant resources
- ▶ developing educational resources for participants, including in-language resources
- ▶ providing workplace relations education and advice to the administering departments, program participants and the Pacific Labour Facility.

As a result of compliance activities involving PALM scheme Approved Employers between 1 July 2019 and 30 June 2023, the OFWO has:

- ▶ commenced 162 investigations
- ▶ recovered \$383,205 for 1,473 workers
- ▶ issued 35 CNs and 8 INs.

Enforcement outcomes

The OFWO applies the statutory enforcement tools at our disposal after assessing whether any proposed compliance activity would be an efficient and ethical use of public resources, in accordance with our Compliance and Enforcement Policy. We consider our strategic Compliance and Enforcement Priorities as part of our assessments and take a case-by-case approach to each matter. In cases of particularly serious or widespread cases of non-compliance – or matters of significant public interest – utilising the statutory enforcement tools is especially important. We use enforcement tools in cases that, among other issues:

- ▶ demonstrate a blatant disregard of the law
- ▶ exploit vulnerable workers
- ▶ involve systemic non-compliance issues
- ▶ where there is a need for deterrence.

We utilised enforcement tools in 2022–23 in a total of 3,150 cases (up from 2,853 in 2021–22). This includes:

- ▶ INs
- ▶ CNs
- ▶ EUs
- ▶ litigations.

Table 1: Enforcement outcomes, 2020–23

Enforcement outcome	2022–23	2021–22	2020–21
INs issued	626	492	513
CNs issued	2,424	2,345	2,025
FOW Notices	4	7	4
EUs executed	15	9	19
Litigations commenced	81	137	76

Infringement notices

INs are on-the-spot fines we issue to employers for breaching record-keeping and pay slip requirements. Before issuing a notice, we consider:

- ▶ the employer's previous compliance history
- ▶ the degree to which their lack of record-keeping impacts our ability to find, calculate and recover entitlements.

In 2022–23, we issued 626 INs with penalties paid totaling \$739,966 (an increase from 492 INs in 2021–22 yielding \$446,037).

Compliance notices

CNs are efficient tools for addressing and rectifying suspected underpayments of workers. A CN may be issued where a Fair Work Inspector has formed a reasonable belief that non-compliance has occurred.

By directing a person or business to take specific action to remedy an underpayment, CNs play a key role in ensuring wages are back-paid quickly.

In 2022–23 we issued 2,424 CNs (up from 2,345 in 2021–22) and recovered \$14.8 million in unpaid wages.

If a person or business fails to comply with the directions contained in a CN and does not seek to challenge the CN in a federal court, the OFWO will take court action to enforce it (for more information, see Litigation on page 35).

For more information on CN-related resources on our website, see page 37.

Enforceable undertakings

EUs are court-enforceable, legally binding written agreements between the OFWO and someone who is reasonably believed by the OFWO to have contravened Australian workplace laws (for example, an employer). In these agreements there are a series of undertakings designed to rectify any breaches and commit to ongoing compliance.

EUs are effective enforcement tools to address non-compliance issues in a timely and cost-effective alternative to litigation.

To ensure transparency and serve as a deterrent for non-compliance, copies of the EUs are publicly available at our website (fairwork.gov.au).

EUs can also deliver outcomes that are not available via other enforcement tools, such as:

- ▶ recovering wages outside of the 6-year statutory limitation period for court orders for unpaid wages
- ▶ conducting independent payroll audits for the life of the EU, paid for by the employer
- ▶ establishing robust mechanisms to achieve ongoing compliance, such as new payroll systems, improved governance, management and staff training and hotlines to report concerns
- ▶ public apologies
- ▶ contrition payments.

The terms of any EU depend on the circumstances and are informed by our publicly available Compliance and Enforcement Policy.

In 2022–23 we executed 15 EUs (an increase from 9 in 2021–22) and recovered a total of \$40.3 million for underpaid employees.

In June 2023 we entered into an EU with Suncorp (comprised of Suncorp Staff Pty Ltd, Suncorp Insurance Services Limited and Australian Associated Motor Insurers Pty Limited), which self-reported that it underpaid 15,912 employees' minimum wages between May 2014 and March 2022. Under the EU Suncorp back-paid staff about \$32 million, including interest and superannuation. The company will also undertake measures to ensure employees are paid correctly, including conducting 2 independent annual audits to assess its compliance with workplace laws.

Litigation

Litigation is generally reserved for more serious cases of non-compliance and in cases where it is in the public interest to commence proceedings. We may litigate in matters involving:

- ▶ a deliberate and/or repeated breach of workplace laws
- ▶ exploitation of vulnerable workers
- ▶ failure to cooperate with us and fix contraventions after being given an opportunity to do so
- ▶ parties who have a prior history of contraventions who have not taken adequate steps to ensure compliance despite being advised of consequences in the past.

We initiated 81 litigation proceedings in 2022–23 and secured nearly \$3.7 million in court-ordered penalties.

Serious contraventions

Every year we make use of tougher provisions in the FW Act to ensure that any persons or businesses who commit serious contraventions are held to account, and to deter others from engaging in such conduct. Particularly in matters relating to vulnerable workers, we believe that increased penalties have a general deterrent effect and can be helpful in encouraging compliance.

In January 2023 we commenced legal action in the Federal Court against Super Retail Group Limited and 4 of its subsidiaries: Super Cheap Auto Pty Ltd, Rebel Sport Ltd, and SRG Leisure Retail Pty Ltd and Macpac Retail Pty Ltd relating to alleged underpayments of more than \$1 million. In this case we alleged that most of the underpayments were the result of Super Retail Group's subsidiaries paying salaried employees annual salaries that failed to cover their minimum lawful entitlements given they generally performed significant amounts of overtime work. We allege that some of the overtime contraventions by Super Cheap Auto, Rebel Sport and SRG Leisure Retail between 15 September 2017 and 1 January 2018 were "serious contraventions" under the FW Act.

This matter is also our first litigation seeking to have a holding company found responsible for its subsidiaries' alleged breaches. We allege that Super Retail Group Limited is liable as a holding company for some of the contraventions between 27 October 2017 (when the holding company liability provisions commenced) and 1 January 2018 because it knew or could reasonably be expected to have known, that Super Cheap Auto, SRG Leisure and Rebel would or were likely to underpay particular employees' overtime entitlements.

In June 2023 we filed proceedings against a former Bakers Delight franchisee, Make Dough Enterprises Pty Ltd (Make Dough), which is now in liquidation, and the couple that formerly owned and managed the operations of the franchisee. The OFWO alleges that Make Dough and the couple's contraventions of the FW Act between 1 February 2019 and 14 October 2020 relating to minimum wages, penalty rates and overtime were committed knowingly and were 'serious contraventions' under the FW Act. Other alleged contraventions in the matter included: failing to make and keep employee records, knowingly making or keeping false records, providing false or misleading records, liability of franchisor entity or holding company, hindering or obstructing a Fair Work Inspector, and 2 instances of failure to comply with a notice to produce.

Gender equity in briefings

We remain committed to the Law Council of Australia's Equitable Briefing Policy, which aims to improve gender equality in the number of briefs issued to barristers across the country. In 2022-23, the OFWO briefed female counsel 35 times and male counsel 71 times (33 of the 71 matters where male counsel were briefed were in relation to transferred litigations from the ABCC to the OFWO in December 2022).

Online services

The **fairwork.gov.au** website is our primary and largest customer-service channel, providing education and advice on Australia's workplace relations system. The mobile-friendly site provides:

- ▶ comprehensive information for employees and employers about workplace rights and obligations
- ▶ industry-specific information on workplace laws
- ▶ self-service tools, including pay and leave calculators, online learning courses, template letters and checklists
- ▶ a machine translation tool that allows customers to view website information in 36 languages other than English
- ▶ professionally translated information and resources in more than 30 languages.

In 2022–23, fairwork.gov.au visits increased significantly by 18.5% on the previous financial year to 26.8 million visits.

Table 2: Website visits and users, 2020–23

	2022–23	2021–22	2020–21
fairwork.gov.au visits	26,818,603	22,620,454	21,373,555
fairwork.gov.au users	15,382,041	13,561,689	12,461,633

Note: Visits represent the total number of individual visits to the website. Users represent the number of devices who have visited the website. These figures count visits from the same user as an additional visit, but not as an extra user.

Tailored information and resources

In 2022–23 we continued to expand and enhance our suite of online tools and resources to provide more tailored, up-to-date information and assistance to our customers. We readily review and update our resources as the workplace relations landscape changes. This has been particularly pertinent in the changing regulatory landscape (for more information, see page 20).

To continue supporting employers and employees and to help prevent and resolve workplace issues, in 2022–23 we launched on our website:

- ▶ a new course for employers designed to provide step-by-step guidance on CNs. The course covers what a CN is and why they are issued, how to respond and possible consequences of not responding, how to calculate underpayments and back payments, and common mistakes to avoid in the workplace
- ▶ a webpage to promote community engagement webinars
- ▶ new information and resources in response to workplace laws impacted by changes to the FW Act, including:
 - a suite of new information and resources to address the new entitlement to paid FDV leave, including an updated Small Business Employer Guide to Family and Domestic Violence, fact sheet and professionally translated information
 - a comprehensive news article and new and updated website information and education resources, including professionally translated information, in response to various changes to the FW Act introduced by:
 - the SJPB Act
 - the PWE Act
 - a dedicated webpage providing workplace relations information for the building and construction industry, following the abolition of the ABCC.

To reflect the decreased need for COVID-19 information, we decommissioned our dedicated coronavirus website and moved certain information relating to COVID-19 vaccinations and testing into our main website.

Our website and all our online tools and resources are regularly reviewed and updated throughout the year to meet the community's evolving needs and to ensure information is accurate, including making amendments as changing legislation comes into effect and impacts workplace rights and obligations.

Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022

The SJBPA Act, which received Royal Assent in December 2022, contained many FW Act amendments affecting the OFWO's work and remit, which commence progressively from December 2022 through to December 2023. These include:

- ▶ changes to requests for flexible working arrangements
- ▶ giving employees the right to talk about their pay, and new rules about pay secrecy terms in contracts of employment and fair work instruments
- ▶ restricting the use of fixed-term contracts
- ▶ adding a prohibition on workplace sexual harassment in the FW Act
- ▶ expanding access to the small claims procedure for recovering underpayments
- ▶ prohibiting the advertisement of pay rates that would contravene the FW Act
- ▶ abolishing the ABCC, with certain functions and responsibilities moving to the OFWO
- ▶ abolishing the ROC, with its functions and responsibilities moving to the FWC.

In response, we updated website content and resources impacted by the amendments. Where needed, we also developed new online resources and content to educate and equip our customers with information needed to understand and apply the changes. These included:

- ▶ a comprehensive 'Secure Jobs, Better Pay: Changes to Australian workplace laws' suite of news articles
- ▶ updating all affected website pages and online tools including delivering a new agreements and enterprise bargaining fact sheet
- ▶ social media messaging as various laws and changes came into effect
- ▶ eDM (electronic direct mail) communication to subscribers summarising key changes
- ▶ hosting webinars on 'Secure Jobs, Better Pay: An overview of the changes to workplace laws'.

Commercial building and construction

In November 2022, the OFWO resumed enforcing the FW Act in the commercial building and construction industry following the rescission of an exchange of letters between the FWO and ABCC in October 2022. The ABCC was formally abolished in February 2023.

We focused on our role as a regulator and our enforcement and compliance functions under the FW Act when communicating to the public about what the changes mean. In educating the community, this included (but wasn't limited to):

- ▶ media relating to transferred legal proceedings and OFWO activities
- ▶ ongoing engagement with the industry regarding changes and information affecting the industry (including any changes to the award, clarifications from legal proceedings, and pay tools updates)
- ▶ targeted online, including social media, communications activities
- ▶ development of new tailored information for the industry
- ▶ development of new tailored material and resources as required
- ▶ conducted user testing and research to understand the needs of the industry and to inform any enhancements to existing material and resources to meet these needs
- ▶ email communication to subscribers referencing key changes.

The content available on our website required updating to ensure adequate information coverage. In terms of website-specific updates, we:

- ▶ published a new article outlining the key changes to the OFWO's remit regulating the commercial building and construction industry
- ▶ published tailored industry information with pathways to other relevant information across the website
- ▶ made changes across the website to promote important information for the industry and to ensure relevant information is easy to find
- ▶ updated existing pages with comprehensive industry-specific information
- ▶ user tested our content with building and construction industry participants to ensure it meets user needs.

For more information on building and construction, see page 21.

For more information on the ABCC, see page 53.

Paid family and domestic violence leave

In November 2022 the *Fair Work Amendment (Paid Family and Domestic Violence Leave) Act 2022* received Royal Assent. These amendments provide employees with a new entitlement of 10 days of paid FDV leave, replacing the previous entitlement to 5 days of unpaid FDV leave. The paid FDV leave entitlement applies to full-time, part-time and casual employees, and commenced in February 2023 for most employees, and for small business employees in August 2023. To help inform and support the community regarding the changes, we:

- ▶ published news articles summarising the changes
- ▶ created new website content and resources, including:
 - a new downloadable fact sheet (with information on paid FDV leave entitlements, notice and evidence requirements, types of evidence and confidentiality, and addressing key issues raised by stakeholder groups at consultation sessions held by DEWR)
 - updating the Fair Work Information Statement
 - enhancing our 2 'Difficult conversations in the workplace' online learning courses with support services pathways and practical tips on having sensitive conversations about FDV in the workplace
 - updated the 'Record-keeping and pay slips' online course addressing specific pay slip requirements for paid FDV leave.
- ▶ worked with key stakeholders to review and update our 'Employer Guide to Family and Domestic Violence'
- ▶ audited and updated our website pages and online tools to amend impacted content
- ▶ strategically communicated across our social media accounts with targeted campaigns covering key changes and entitlements as they came into effect. This included in-language social posts
- ▶ conducted behavioural insight research to inform and enhance our website tools and resources. This included content to help employers and employees understand their entitlements, have sensitive conversations with employees, and understand their record-keeping and pay slip obligations
- ▶ eDM communications sent to subscribers to provide guidance around the key changes
- ▶ updated our webinar presentations and materials where applicable
- ▶ prepared small business-specific content, written advice and communications.

Respect@Work Council and Respect@Work amendments

A number of amendments arising out of the Respect@Work Report were passed by Parliament, introducing important new protections for employees. These included:

- ▶ SJBPA Act:
 - prohibiting sexual harassment in connection with work
 - providing the FWC with a new dispute resolution framework, merged with the FWC's pre-existing ability to make 'stop sexual harassment orders'
 - adding breastfeeding, gender identity and intersex status to the range of protected attributes for protection from adverse action.
- ▶ *Anti-Discrimination and Human Rights Legislation Amendment (Respect@Work) Act 2022* (Respect@Work Act), which included amendments to the *Sex Discrimination Act 1984* to:
 - prohibit conduct that subjects another person to a workplace environment that is hostile on the ground of sex
 - introduce a positive duty on employers to take reasonable and proportionate measures to eliminate unlawful sex discrimination, including sexual harassment, as far as possible.

The OFWO is now able to investigate allegations of workplace sexual harassment in addition to the pre-existing capacity to take action when someone doesn't comply with a 'stop sexual harassment order'.

In order to educate and support the community to understand the changes arising out of the Respect@Work Report, including those made by the SJBPA Act, we:

- ▶ audited our website and made updates to content where applicable, including:
 - publishing a new 'Making a complaint about workplace sexual harassment' guide
 - updating multiple education tools and resources (including the Fair Work Information Statement)
- ▶ promoted website updates to our webpages and key online resources across our social media platforms
- ▶ required our staff to complete an 'Understanding Workplace Sexual Harassment' training course designed for the OFWO and FWC by the AHRC to help staff inform our customers and enhance their understanding and awareness of workplace sexual harassment, and the rights and responsibilities of organisations, workers and others
- ▶ increased the number of Harassment and Discrimination Officers (HDCOs) available to our staff
- ▶ supported the new Respect@Work Council website by sharing promotional posts about the new site on our social media channels, updating information on our Respect@Work reforms webpage, and adding hyperlinks and call-out boxes to other relevant pages on fairwork.gov.au
- ▶ established our new Sexual Harassment Specialist Investigation Team with specially trained staff to investigate allegations of sexual harassment in connection with work that may breach the new workplace sexual harassment prohibition in the FW Act, as well as managing often complex and sensitive cases.

Additionally, the OFWO is a core member of the Respect@Work Council chaired by the AHRC (that implements the recommendations of the 2020 'Respect@Work: Sexual Harassment National Inquiry Report'). We continue to work proactively with the AHRC, FWC and other council members and agencies on advancing Report recommendations, delivering improved guidance to the Australian community, enhanced pathways to resolve sexual harassment matters, and identifying ways to promote safer workplaces.

Independent contracting resources

To further assist our customers to understand the differences between employees and independent contractors, we maintain a suite of web content and resources on our website.

In April 2023 we commenced a communications campaign targeted at the contract cleaning industry that included messages about sham contracting in the sector. The campaign was promoted across Facebook, LinkedIn, digital display and Google Search, with messages in English, Spanish, simplified Chinese and Korean. We also delivered tailored educative webinars in December 2022 and April 2023 containing information requested by webinar registrants and which were informed by past stakeholder feedback. Guest speakers from the Australian Taxation Office also provided tailored information to help employees and independent contractors.

These successful engagements supplement the tailored resources available on our website to educate businesses and workers on their rights and obligations and outline key differences between employees and independent contractors. This includes a dedicated webpage for independent contractors. The independent contractors' website content was viewed more than 168,000 times.

For more information on sham contracting and misclassification, see page 30.

Fast food, restaurants and cafes

Our website continues to provide industry-specific information for employees and employers working in the FRAC sector, which is persistently at high risk of non-compliance and from which we receive a disproportionately high number of complaints and enquiries.

We provide dedicated content on our website, including interactive tools and templates that cover common FRAC issues such as award coverage, pay, and pay slips and record-keeping. The section was refreshed in mid-2022 and information is reviewed regularly to ensure it remains accurate, fit-for-purpose and meets user needs. Our upgrades included:

- ▶ publishing the new 'Employer's guide to annualised wage arrangements in the hospitality and restaurant industry', which includes:
 - step-by-step instructions on setting up an annualised wage arrangement and completing reconciliations using the new award provisions
 - a template and checklist that employers covered by these awards can use to assist in helping them make compliant annualised wage arrangements.

Collectively, our online FRAC resources were viewed more than one million times in 2022–23 (up significantly from 657,000 times in 2021–22).

Additionally, the OFWO regularly posted on social media on FRAC topics including information about pay, salary arrangements, unpaid trials, overtime and breaks. We also targeted the FRAC sector with paid communications specifically aimed at small business and franchisors. Our social media activities included:

- ▶ running a communications campaign to promote the new 'Employer's guide to annualised wage arrangements in the hospitality and restaurant industry' that commenced in September 2022. The campaign was seen more than 7.4 million times
- ▶ in November 2022, we also ran a campaign targeted at young workers in (or considering entering work in) the FRAC industry. The campaign was seen more than 8.6 million times.

Young workers

Young workers are often vulnerable and are a priority cohort for the OFWO. Young workers may:

- ▶ be new to the workforce
- ▶ be hesitant to approach an employer due to their age and lack of workplace experience
- ▶ have a limited knowledge of industrial relations due to their age and lack of work experience
- ▶ fear losing their jobs if they speak up about workplace issues.

Helping young workers understand their workplace rights and entitlements early can set them up for a positive working experience throughout their lives. As future employers, ensuring they're aware of us and of the broader concepts of workplace rights and obligations can also help to ensure compliance in the future.

In 2022–23 young workers who lodged a dispute with the OFWO mostly worked in the following industries:

- ▶ accommodation and food services 30%
- ▶ construction 11%
- ▶ retail trade 11%.

Young workers submitted 34% of the anonymous reports we received and lodged 24% of all formal disputes. The top 3 allegations related to:

- ▶ final pay 14%
- ▶ wages and conditions 12%
- ▶ pay slips and record-keeping 9%.

In 2022 we undertook a revamp of the 'Young workers and students' webpage, based on user testing, to empower and improve engagement with our younger audiences, including international students and visa holders. Enhancements included:

- ▶ a new-look landing page
- ▶ a revamped page on the minimum working age and working during school hours
- ▶ 4 new pages dedicated to specific topics:
 - getting ready for work
 - pay, entitlements and working conditions
 - dealing with workplace bullying and sexual harassment as a young person
 - resolving issues and getting help
- ▶ improved navigation for browsing fairwork.gov.au on mobile phones
- ▶ an emphasis on our tools and resources, which were given more prominence using icons and callout boxes.

We also connected with young workers via social media, especially in the lead up to Christmas when each year we are likely to see an increase in the hiring of casual workers, many of whom will be young workers. To best target young workers in 2022–23 we utilised:

- ▶ Facebook and Instagram stories
- ▶ website display ads
- ▶ digital audio
- ▶ targeted messaging across different mediums:
 - social media slogans, including ‘Your mate’s pay rate isn’t always the right rate’ and ‘Get it (the job), got it (first pay), now check it – your pay rights’
 - audio advertisements that play on streaming platforms and podcasts.

Our campaigns aim to raise awareness of the OFWO’s free tools and resources and build confidence among young workers to address workplace issues. The emphasis is on 18–24-year-olds looking for their first jobs. Campaign messaging directs people to our website, including the:

- ▶ pay calculator
- ▶ unpaid trials webpage
- ▶ Young workers and students webpage.

In-language information

We provide professionally translated in-language information in more than 30 languages. This includes our website content, downloadable resources, videos and social media content.

In 2022–23, we delivered a variety of professionally translated in-language content, including:

- ▶ the Fair Work Information Statement and the Casual Employment Information Statement
- ▶ foreign-language subtitled educational videos
- ▶ media releases in languages other than English, allowing us to better communicate with CALD media
- ▶ social media campaigns to help migrant workers in high-risk industries understand their workplace rights. In total we ran 4 social media campaigns that included information in 9 different languages.

In 2022–23, our in-language videos received nearly 32,000 views. Since first publishing in-language videos to our website 5 years ago, total views have now exceeded 250,000. ‘Working in Australia’ continues to be our most accessed in-language video.

Our anonymous report tool is also available in 16 languages (in addition to English). In 2022–23, 600 non-English anonymous reports were submitted to the OFWO. Anonymous reports in Chinese (simplified and traditional) and Korean accounted for the majority (60%) of these 600 reports. Further information about anonymous reports is detailed in Investigations and activities on page 24.

To ensure users have access to the information they need, our website also has an auto-translation tool, which translates most pages on our website into more than 30 languages for people from CALD backgrounds. In 2022–23, nearly 121,000 website pages were translated using the auto-translation tool. Simplified Chinese, Spanish, Korean and Japanese accounted for the majority of translations, while the most translated pages related to pay and minimum wages.

Table 3: Website translation tool most popular languages, 2022–23

Language	Number of pages translated
Simplified Chinese	47,603
Spanish	14,428
Korean	13,713
Japanese	11,668
French	6,005

This reporting period, we also published a series of NES videos with an Auslan interpreter. These videos help our customers better understand their rights and responsibilities at work. In 2022–23, the ‘Language Help – Auslan’ page on fairwork.gov.au was viewed 1,408 times.

Online education and compliance tools

Our suite of online content and tools provides employers and employees with high-quality information about their workplace obligations and entitlements and empowers them to resolve issues without OFWO intervention.

In 2022–23 we saw a relatively consistent or an increased use of our online tools such as PACT, our fact sheets, best practice guides, templates and Online Learning Centre.

PACT continued its growth in the past year, surpassing 6 million views for the first time since its launch. Calculations increased by 10% compared to the previous financial year to 7,161,741. The top industries viewed in PACT were:

- ▶ hospitality
- ▶ building, construction and on-site trades
- ▶ retail (the General Retail Industry Award was the most searched-for award).

The OFWO provides a range of resources on workplace relations topics for employees and employers, including fact sheets and best practice guides. In 2022–23 these were collectively viewed more than 3.5 million times.

A range of template letters are available on the fairwork.gov.au website to help employers and employees manage a wide range of workplace obligations. These templates were downloaded more than 233,000 times in 2022–23.

Our Online Learning Centre provides free interactive online courses that teach skills and strategies to assist employers and employees manage workplace issues. In 2022–23 customers commenced a record 54,517 online learning courses. The most popular courses included:

- ▶ managing performance
- ▶ starting a new job
- ▶ diversity and discrimination
- ▶ difficult conversations in the workplace (employee and manager courses).

Our online tools are informed by user research and testing. In 2022–23 we continued key partnerships across government and with industry experts to deliver a variety of communication initiatives, and continued to evolve and refine our website content, tools and resources on various topics including:

- ▶ Respect@Work and sexual harassment laws
- ▶ paid FDV leave
- ▶ SJBPA Act amendments
- ▶ commercial building and construction
- ▶ new PWE Act amendments
- ▶ resources for small business
- ▶ agriculture
- ▶ FRAC
- ▶ contract cleaning
- ▶ vulnerable (young and migrant) workers
- ▶ CNs
- ▶ COVID-19.

Online enquiries and My account

The phone remains the most popular method for people to contact the OFWO for assistance, however, we also provide assistance via online channels. In 2022–23 we answered 40,291 online enquiries via the OFWO's My account portal, email and social media (Facebook, LinkedIn and Twitter).

Social media continues to be a significant growth channel for engaging with employers and employees about Australia's workplace laws. In total, the OFWO has nearly 300,000 social media followers and experienced 11% growth across all our channels in 2022–23.

In addition to informing people about a variety of workplace law information such as award updates, legislative changes and workplace entitlements, our social media team assists employers and employees with a variety of queries. In 2022–23 we provided 1,765 responses to queries on our social media channels.

Facebook is the most common social media channel people use to interact with the OFWO. As of 30 June 2023, our total followers sit at just under 200,000. Our LinkedIn account experienced the highest growth of our social channels, with a 30% increase in followers. We also opened a new OFWO account on Instagram to further our social media reach, and particularly engage young worker audiences.

My account, our online portal, allows customers to:

- ▶ send general enquiries about workplace issues to us
- ▶ save website pages and wage calculations
- ▶ receive communications and information tailored to their industry
- ▶ undertake online learning courses.

Over the last financial year, we answered 37,880 My account enquiries. Employees and their representatives (77%) account for the majority of My account enquiries. Contact most commonly came from the following sectors:

- ▶ health care and social assistance (15%)
- ▶ accommodation and food services (11%)
- ▶ professional, scientific and technical services (9%)
- ▶ retail trade (8%)
- ▶ construction (8%).

Email subscription services

In 2022–23 we shared 44 email updates and newsletters, sending out more than 5.2 million emails to our subscriber base of nearly 574,000. Subscribers can opt-in to receive email updates on various topics, including:

- ▶ pay rates and entitlements
- ▶ new products and resources
- ▶ industry and award specific updates.

Advice, education and dispute-resolution services

Stakeholder engagement

Our Stakeholder Engagement Strategy outlines the key principles informing our approach to stakeholder engagement and supports consistent, purposeful, meaningful, productive and transparent stakeholder engagement that delivers benefits to all involved. Throughout the year, we worked with a broad range of stakeholders to effectively promote, educate and consult in relation to legislative amendments that impacted workplace laws.

Commercial building and construction industry

Ahead of resuming its role enforcing the FW Act in the commercial building and construction industry, the FWO wrote to key industry stakeholders informing them of the regulatory approach we would take in this sector. We have continued to engage with a broad range of stakeholders through correspondence and meetings.

Information on the commercial building and construction industry changes was also communicated to existing ABCC and OFWO email subscribers and through various social media channels to raise awareness. In addition, we updated some of our existing website information and resources to ensure we provide appropriate information for the whole building and construction industry.

Secure Jobs, Better Pay Act changes

The OFWO consulted stakeholders including employee and employer representative organisations, small business representatives, community organisations and other government agencies in January 2023 on their information and education needs in relation to the SJBPA Act changes. Stakeholders shared positive feedback about the SJBPA Act detail (including the SJBPA Act changes timeline) that the OFWO had available. They also shared insights on the needs of small business and how we can continue to provide concise, timely and accessible content to support their awareness and understanding of the SJBPA Act changes. These valuable insights helped to inform refinement of the OFWO's SJBPA Act education materials and communications activities.

Community engagement

Community engagement is an important component of the OFWO's functions to provide education, assistance, advice and guidance on workplace laws. In 2022–23 the OFWO:

- ▶ hosted 37 webinars for different audience groups and industry sectors. The webinars were focused on award and legislation changes. We also hosted a number of webinars for vulnerable workers including migrant workers and international students, and delivered in-language webinars in Chinese, Arabic, Mandarin and Vietnamese
- ▶ delivered presentations, participated in expos, attended stakeholder meetings, exhibited at information days organised by community organisations, and provided OFWO resources to stakeholders to distribute at their events. Our work through these events ensures we are maximising our reach and educating employees and employers about their workplace rights and obligations and that they can seek assistance from the OFWO
- ▶ worked with community organisations including peak bodies and community legal centres, providing them with easy-to-understand information about workplace laws to share with their communities. Through these community organisations we increase our educational and support reach to vulnerable workers
- ▶ delivered 12 'Train the Trainer' workshops to provide workplace relations education to vocational education and training providers, student and community leaders and state and territory bodies responsible for managing VET programs. The free workshops were very popular among education and community leaders and we ran multiple workshops to accommodate demand
- ▶ worked collaboratively with other government agencies to promote the OFWO's role in enforcing Australia's workplace laws, including presenting to embassies and consulates on workplace laws in Australia
- ▶ worked with small business representative bodies to promote our small business services.

Phone services

In 2022–23, our advisers answered 291,274 calls, with the majority coming from employees or their representatives (71%).

We answered 37,880 enquiries via My account, the OFWO's online portal that helps people get the workplace help and advice they need.

Nearly one in 5 of the calls answered by our advisers (54,643) were small business-related enquiries, reiterating the importance we place on investing in education and assistance for this sector. The most common enquiry types relating to small businesses were:

- ▶ workplace entitlements
- ▶ wages
- ▶ employment termination
- ▶ National Employment Standards (NES).

Customers seeking COVID-19 advice via our phone services were directed to the [fairwork.gov.au](https://www.fairwork.gov.au) website for the most up-to-date information. Similar to the previous 2 financial years, COVID-19 enquiries contributed to an overall reduction in calls answered.

Table 4: Calls answered, 2022–23

Phone service	2022–23	2021–22	2020–21
General Business Helpline	236,631	241,693	308,229
Small Business Helpline	54,643	56,653	67,692
Total (Fair Work Infoline)	291,274	298,346	375,921

Education and dispute resolution services

We assess each assistance request we receive involving a workplace dispute.

The OFWO provides educational resources and advice to assist parties understand their rights and obligations under workplace laws. This approach helps maintain productive, harmonious and cooperative employment relationships, and can enable a faster recovery of unpaid wages.

In 2022–23, we resolved 16,812 matters. The majority of these matters were settled via dispute resolution. The remaining completed workplace disputes were resolved via our compliance and enforcement tools (for more information on outcomes relating to these tools, see page 34).

We provide tailored advice in response to the issues raised and the needs of employees and employers to promote workplace law compliance, including information on:

- ▶ workplace rights and responsibilities
- ▶ potential options available including how to discuss issues directly in the workplace
- ▶ likely outcomes based on the information provided by the parties
- ▶ what to expect if an investigation occurs.

Employer Advisory Service

The 2022–23 financial year saw significant growth in our Employer Advisory Service (EAS). We established the EAS in July 2021 to assist small businesses to understand and comply with their obligations under the FW Act.

In 2022–23, the Service's second year of operation, it provided 2,850 pieces of tailored, written advice on the NES, award provisions, record-keeping requirements, and other matters relating to pay and employee entitlements to help businesses comply with the law. This is an increase of 119% compared to the Service's first year of operation, reflecting the high-quality service provided by the EAS and strong demand from small businesses.

Micro businesses (those with fewer than 5 staff) accounted for 48% of advice provided through the EAS. Small businesses in the following sectors accounted for the majority of enquiries through the EAS:

- ▶ construction (21%)
- ▶ health care and social assistance (12%)
- ▶ professional, scientific and technical services (12%)
- ▶ other services (10%)
- ▶ accommodation and food services (7%).

Many small businesses that ask the EAS for help are those looking to employ staff for the first time. Most new employers have low levels of workplace relations knowledge and do not understand the basic principles of employing staff under an award. This is where the EAS provides vital services to ensure these new employers can get their workplace law compliance correct from day one of hiring a new employee.

Case study: Employer Advisory Service

The owner-operator of a tiling business wanted to hire its first employee and was weighing up whether to take on a young casual or an apprentice. The owner needed to be able to compare the pay and entitlements for each employment type. He also asked about incentives for engaging an apprentice.

We gave written advice setting out rates of pay under the Building and Construction General On-site Award 2020 for a casual labourer and an apprentice and explained how each would progress through the pay scales.

We explained the leave, rostered days off and allowance entitlements that applied to both employment types, and provided comprehensive information about how apprentices are paid for training. While apprenticeship incentives are not administered by the OFWO, we provided links to bodies that could provide further information.

We have measured EAS customer satisfaction rates. Nearly 90% of small businesses accessing the EAS were satisfied with the advice provided, with 97% saying they would use the EAS again. 81% said they would share the advice with their employees.

We look forward to further supporting small businesses into the new financial year, including in relation to important legislative changes.





PART 3

Registered Organisations Commission performance report

ROC annual performance statement

Registered Organisations Commission annual performance statement

The Registered Organisations Commission (ROC) was the independent regulator of federally registered employer and employee organisations. Its functions included promoting the efficient management of organisations and accountability of organisations and their office holders to their members as set out in the *Fair Work (Registered Organisations) Act 2009* (RO Act).

It was headed by the Registered Organisations Commissioner, Mr Mark Bielecki – an independent statutory office holder.

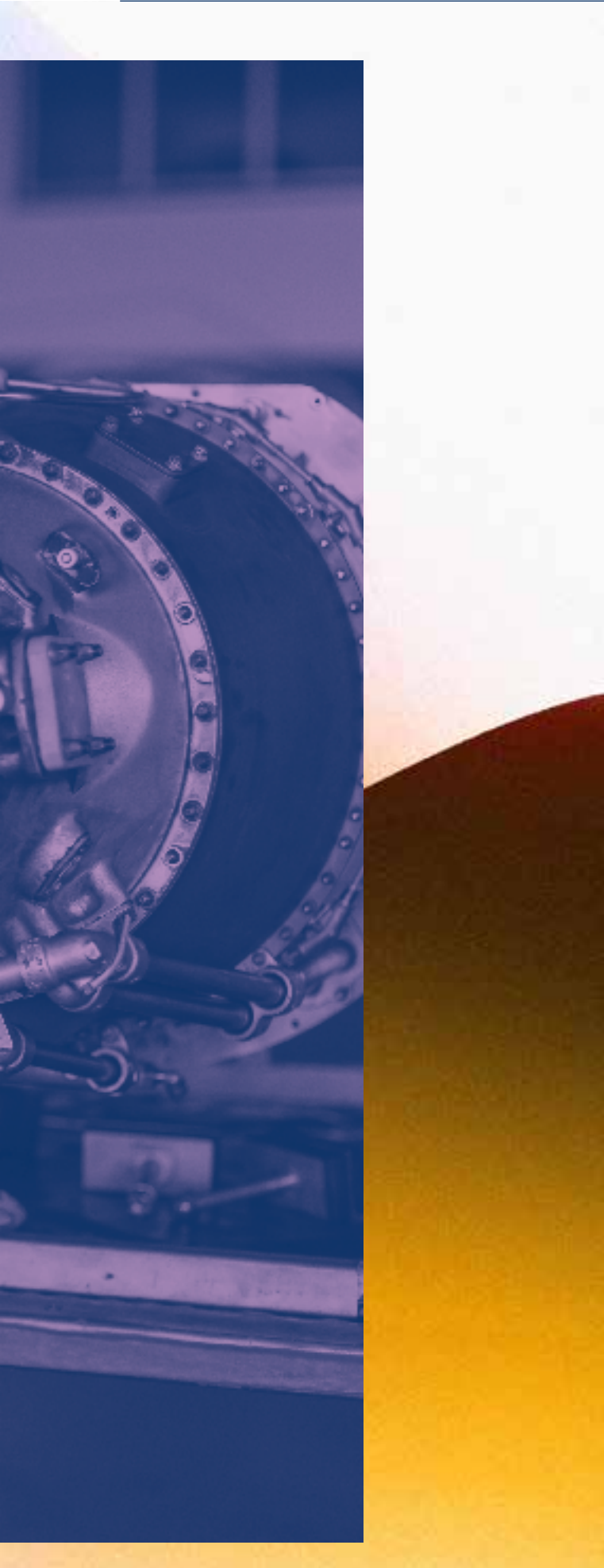
The ROC formed part of a combined entity with the Office of the Fair Work Ombudsman (OFWO) for the purposes of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). This combined entity was known as the Fair Work Ombudsman and Registered Organisations Commission Entity (FWOROCE).

The accountable authority of the FWOROCE under the PGPA Act and Legal Services Directions 2017 and Agency Head under the *Public Service Act 1999* (Public Service Act) was the Fair Work Ombudsman, who was ultimately responsible for the ROC's compliance with the PGPA Act and Public Service Act.

The *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022* (SJBPA Act) abolished the ROC, and the Registered Organisations Commissioner's regulatory powers and functions were transferred to the General Manager of the Fair Work Commission (the Commission) effective 6 March 2023. All ROC staff were also transferred on this date to form the new Registered Organisations Governance and Advice Branch of the Commission under a Machinery of Government change. The responsibility for the ROC's Portfolio Budget Statement Key Performance Indicators has also been transferred to the Commission.

Reporting for the former ROC's functions for the 2022–23 financial year is included in the Fair Work Commission's 2022–23 Annual Report. The General Manager of the Fair Work Commission assumed the role as the Accountable Authority in relation to the ROC's former functions from 6 March 2023.





PART 4

Australian Building and Construction Commission performance report

About this report

BCIIP Act

Code Amendment Instrument

Entity overview

ABCC priorities and activities

Workforce management

Governance

External scrutiny

Financial management

BCIIP Act Annual Report

About this report

On 6 December 2022, the *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022* (SJBPA Act) received Royal Assent. Relevantly, the amendments abolished the Australian Building and Construction Commission (ABCC) by:

- ▶ repealing the parts of the *Building and Construction Industry (Improving Productivity) Act 2016* (BCIIPA Act) that established the ABCC
- ▶ repealing the *Code for the Tendering and Performance of Building Work 2016* (the Code)
- ▶ providing transitional arrangements for the abolition of the ABCC including the transfer of ongoing investigations and court proceedings to the OFWO.

All ABCC investigations and court proceedings were transferred to the OFWO the day after Royal Assent, and the subsequent 2-month transition period enabled the ABCC to assist the OFWO with the transfer of functions through to abolition on 6 February 2023.

As the ABCC was abolished part-way through the reporting period, section 331 of the SJBPA Act requires the OFWO to include a report on the ABCC's activities during the reporting period under section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

BCIIP Act

Schedule 1, section 331 of the SJPB Act also requires the preparation and transmittal of a report to the Minister on the ABCC's activities under section 20 of the BCIIP Act, to be provided to the Minister as an Appendix to this Annual Report, see page 168.

The OFWO's Annual Report must include details of the matters that, under subsections 20(2) and 20(3) of the BCIIP Act, would have been required to be included in the report prepared by the Commissioner of the ABCC and given to the Minister under section 46 of the PGPA Act for the reporting period if section 20 of the BCIIP Act had not been repealed.

The BCIIP Act Quarter One (Q1) Report for 2022–23 was provided to the Minister on 21 November 2022 and was tabled in Parliament on 19 January 2023. This was the final quarterly report to be published by the ABCC. The requirement under section 20 of the BCIIP Act for the preparation of quarterly reports fell away on the day after Royal Assent of the SJPB Act (7 December 2022).

It should be noted that, as the preparation of quarterly reports begins immediately after the end of each reporting period, it is possible for additional data to be recorded on activities undertaken in a reporting period after that quarter's report has been prepared. Accordingly, the figures in this Annual Report may differ from those in the Q1 report.

Code Amendment Instrument

A legislative instrument called the *Code for the Tendering and Performance of Building Work (Amendment Instrument) 2022* (Amendment Instrument) took effect on 26 July 2022 and made substantial changes to the Code. The Amendment Instrument removed most substantive requirements, however it left in place:

- ▶ the obligation on code-covered entities to undertake labour market testing
- ▶ the obligation on funding entities to ensure that certain information is provided by the preferred tenderer before a contract is entered into for Commonwealth-funded building work
- ▶ the obligation on funding entities to only enter into a contract for Commonwealth-funded building work with a Code-covered entity that only uses products in building work that comply with the relevant Australian standards published by, or on behalf of, Standards Australia Code exemptions.

From 26 July 2022, the ABCC ceased initiating new proactive compliance activities under the Code and commenced winding up active compliance activities under the Code.

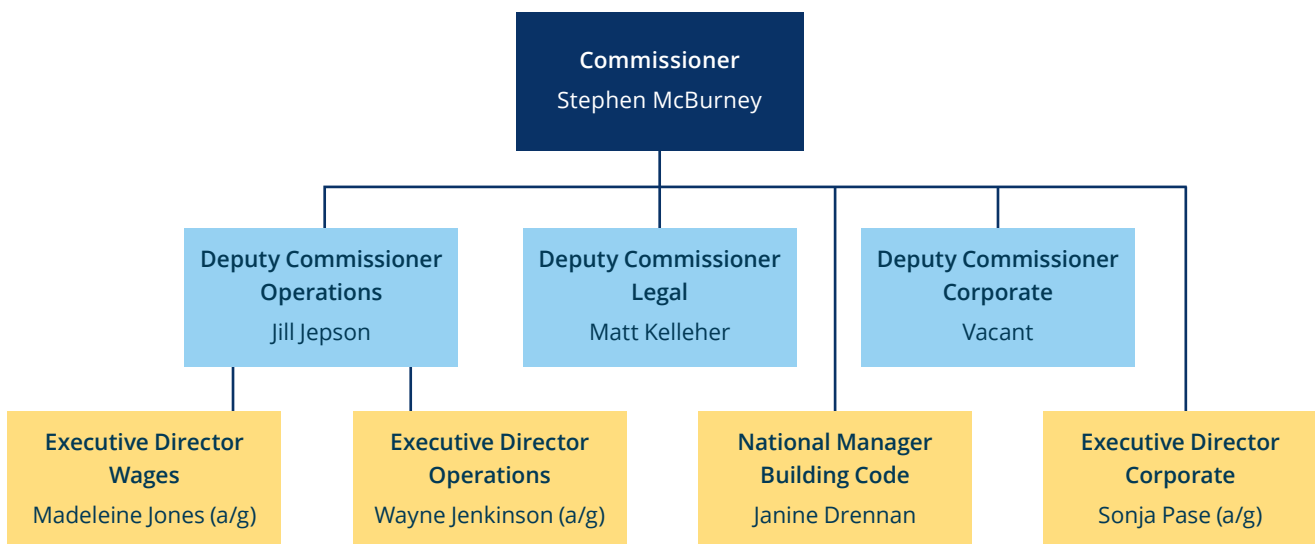
Entity overview

The ABCC Commissioner (the Commissioner) was an independent public office holder position reporting to the Hon Tony Burke MP, Minister for Employment and Workplace Relations.

During the reporting period, the ABCC was led by its Executive Leadership team, including the Commissioner, 3 Deputy Commissioners and 4 Senior Executive Service (SES) positions.

All positions were terminated on 6 February 2023 with the abolition of the Agency.

Figure 2: ABCC organisational structure at 1 July 2022



Australian Building and Construction Commission annual performance statement

Following advice from the Department of Employment and Workplace Relations (DEWR) and the Department of Finance, the ABCC Commissioner wrote to the Minister for Finance on 24 August 2022 advising a Corporate Plan for the 4-year period 2022–23 to 2025–26 would not be published and that the 2021–22 edition be taken as the ABCC’s current and final Corporate Plan.

At the commencement of the reporting period, the ABCC’s purpose and functions were consistent with previous reporting periods, as legislated in the BCIIIP Act.

Outcome 1

Enforce workplace relations laws in the building and construction industry and ensure compliance with those laws by all participants in the building and construction industry through the provision of education, assistance and advice.

Program 1.1: Education, compliance and enforcement

To educate building industry participants in order to promote compliance with workplace laws through our strategic objectives:

- ▶ educate
- ▶ advise and assist
- ▶ impartially monitor and assess compliance
- ▶ use litigation and other enforcement options to drive a change in behaviour
- ▶ promote an impartial, flexible and innovative workforce.

The results in Table 5 show the ABCC's achievements for the criteria and key performance indicators (KPIs) set out in the October 2022–23 Portfolio Budget Statement (PBS). Targets for some KPIs were adjusted in the October Statements in light of the Government's commitment to abolish the ABCC during the 2022–23 financial year.

Table 5: Summary of performance results against KPIs

Strategic objective	KPI	Measure	Target	Result
Educate	1	Percentage of surveyed stakeholders who indicate that the agency's presentations, advice or materials improved their understanding of workplace rights and responsibilities	80%	100%
Advise and assist	2	Number of presentations delivered to stakeholders	As required	18
	3	Percentage of surveyed stakeholders who are satisfied or highly satisfied with the quality and timeliness of advice and assistance provided	80%	100%
Impartially monitor and assess compliance	4	Compliance activities to improve compliance with designated building laws and the building codes	Close out of all current and ongoing compliance audits and activities	96
Use litigation and other enforcement options to drive a change in behaviour	5	Average time taken to commence civil penalty proceedings	< 12 months	6.4 months

ABCC priorities and activities

Educating, advising and assisting

The ABCC had a responsibility to educate, advise and assist industry stakeholders to understand their rights and obligations.

The ABCC published 11 external communications to industry participants during the reporting period.

During the reporting period, the ABCC received 585 enquiries.

Monitoring and assessing compliance

From 26 July 2022, the ABCC ceased initiating new proactive compliance activities under the Code and commenced winding up active compliance activities under the Code.

Assessment of enterprise agreements

Noting the Amendment Instrument, which took effect on 26 July 2022 removed the requirement to submit relevant enterprise agreements (EAs) for assessment, the ABCC received 10 EAs in 2022–23. Including EAs on hand at the commencement of the financial year, 51 were assessed with an average timeframe of 2.4 weeks. The ABCC also received 5 individual sets of clauses, which were assessed in an average timeframe of 4 days.

Workplace Relations Management Plans (WRMPs)

The Agency received 16 WRMPs and assessed 18 WRMPs, with an average timeframe of 4 days.

Code inspections and audits

In the reporting period, the ABCC finalised 32 Code inspections and 23 Code audits.

Security of payment

In the reporting period, the ABCC received 24 security of payment cases (enquiries, reports and complaints) and 253 individual claims of disputed or delayed payments.

\$520,912 was paid to subcontractors after the ABCC contacted respondents regarding the unpaid amounts.

Wages and entitlements compliance activities

In the reporting period, the ABCC recovered \$323,117 in unpaid wages and entitlements for 356 employees from 38 employers.

Investigations

Thirty investigations were commenced in the reporting period, 78 were finalised and 32 investigations were transferred from the ABCC to the OFWO following the ABCC's abolition.

Use of compliance powers

In the reporting period, the Commissioner issued 6 examination notices under the BCIIIP Act.

Code sanctions

The Commissioner published details of non-compliance with the Code on one occasion during the reporting period.

Civil penalty proceedings

In the reporting period, the Commissioner initiated 7 civil penalty proceedings in the courts. All ongoing ABCC legal matters before the Courts became the responsibility of the OFWO from 7 December 2022.

The ABCC finalised 8 matters in the reporting period.

In the reporting period, penalties imposed by the Courts as a result of ABCC proceedings totalled \$1,320,560.

Applications, submissions and interventions

The Commissioner intervened in one Fair Work Commission (FWC) matter relating to the revocation/suspension of a right of entry permit.

Workforce management

New recruitment activities had been put on hold before the commencement of the reporting period. The ABCC's focus for workforce management was on staff wellbeing, resource management and facilitating staff transfers wherever possible.

The ABCC proactively assisted staff to transition to other employment, including through section 26 transfers to other Australian Public Service (APS) agencies. A small number of staff remained at the ABCC to meet the Agency's statutory requirements until the date of abolition, at which point all remaining staff were declared excess to requirements. Table 6 provides a breakdown of movement statistics.

Table 6: Staff movements throughout the reporting period as at 17 January 2023

Staff movement	Number of staff
Section 26 transfers	54
Other APS agencies	7
Redundancies	55
Resignations	4
Total	120

Remuneration and employment conditions

All ABCC staff, except for the Commissioner and 2 Deputy Commissioners, were engaged under the *Public Service Act 1999* (Public Service Act). The Commissioner and Deputy Commissioners were engaged as Tier 2 public office holders (POHs) in accordance with the Remuneration Tribunal's determination. All SES officers' terms and conditions of employment were covered by common law contracts.

All non-SES employees were covered by the ABCC 2017–2020 EA. This agreement came into effect on 15 May 2017 and had a nominal expiry date of 15 May 2020. The Commissioner signed a determination under section 24 of the Public Service Act that applied to non-SES staff covered by the enterprise agreement.

Staff were covered by the ABCC's EA up until abolition, after which the SJPB Act provisions for staff entitlements came into effect. These entitlements mirrored those previously contained in the ABCC's EA and required the OFWO to pay all relevant employee entitlements, including redundancy benefits, on behalf of the Commonwealth.

Entitlements included reimbursement of up to \$1,000 each for financial advice and career counselling obtained by ABCC staff declared excess to requirements.

Non-salary benefits

ABCC employee non-salary benefits included:

- ▶ access to an Employee Assistance Program
- ▶ Rewards Gateway – iBenefit
- ▶ healthy lifestyle allowance.

Executive remuneration

The Commissioner, Deputy Commissioners, and Senior Executive Service (SES) officers formed the ABCC's key management personnel as the ABCC Executive.

Remuneration of the Commissioner and Deputy Commissioners was set by the Remuneration Tribunal under the relevant determinations covering POHs.

SES officers were part of the ABCC's leadership group.

Acting SES officers received remuneration based on the role and responsibilities of the acting position.

Other highly paid staff had individual flexibility arrangements under the EA with remuneration outcomes exceeding the top pay point under the agreement. During the reporting period, there were no staff whose remuneration exceeded the threshold amount.

The ABCC did not pay performance bonuses.

Table 7 shows the ABCC Executive's remuneration for the reporting period. Staff acting in SES or other highly paid positions for a total period of less than 3 months are not included in the ABCC Executive's remuneration disclosure.

Table 7: Key management personnel (KMP) remuneration for the reporting period

Name	Position	Term as KMP
Stephen McBurney	Australian Building and Construction Commissioner	1 July 2022–6 February 2023
Jill Jepson	Deputy Commissioner	1 July 2022–6 February 2023
Matt Kelleher	Deputy Commissioner	1 July 2022–6 February 2023
Janine Drennan	National Manager Building Code	1 July 2022–3 January 2023
Wayne Jenkinson	Executive Director – Operations	1 July 2022–18 November 2022
Sonja Pase	Executive Director – Corporate	1 July 2022–17 October 2022
Madeleine Jones	Executive Director – Operations	1 July 2022–25 November 2022
Murray Gregor	Executive Director – Operations	1 July 2022–28 October 2022

Table 8: KMP remuneration expenses for the reporting period

Expenses	2023 \$'000
Short-term employee benefits	1,134
Post-employment benefits	154
Other long-term employee benefits	29
Termination benefits	879
Total KMP remuneration expenses	2,196

Table 9: Disaggregated KMP remuneration expenses for the reporting period

Name	Position title	Short term benefits			Post employment benefits	Other long term benefits		Termination benefits	Total remuneration
		Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long term benefits		
Stephen McBurney	Australian Building and Construction Commissioner	264,791	-	-	34,932	7,645	-	-	307,368
Jill Jepson	Deputy Commissioner	189,596	-	-	18,308	4,247	-	95,976	308,126
Matt Kelleher	Deputy Commissioner	189,891	-	-	15,993	5,576	-	95,976	307,435
Janine Drennan	National Manager Building Code	121,996	-	14,308	20,579	5,329	-	141,244	303,456
Wayne Jenkinson	Executive Director – Operations	82,114	-	10,781	11,676	1,385	-	225,523	331,478
Sonja Pase	Executive Director – Corporate	65,962	-	8,266	10,567	1,039	-	-	85,834
Madeleine Jones	Executive Director – Operations	85,271	-	11,241	23,375	1,731	-	179,262	300,880
Murray Gregor	Executive Director – Operations	80,137	-	9,171	18,483	1,996	-	140,836	250,622
Total		1,079,757	-	53,766	153,913	28,946	-	878,818	2,195,199

Work health and safety

No bullying or harassment incidents were reported.

One notifiable incident was reported to Comcare.

Governance

ABCC Executive

The ABCC Executive set the strategic direction of the ABCC and provided advice to the Commissioner on key strategic, operational, financial and corporate matters. The Executive included the Commissioner, Deputy Commissioners and SES staff. The Executive formed the 2 decision-making bodies of the ABCC, comprising the Corporate Board and the Operations and Compliance Board and met monthly.

Workplace Health and Safety Committee

Reviewed and reported on the implementation of relevant legislation, policies and practices, as well as advising the Commissioner and the Executive on policy matters concerning the health and safety of employees. During the reporting period, the Workplace Health and Safety (WHS) Committee worked with the Executive to put a risk management plan in place to address both the potential risk to staff health and wellbeing associated with the abolition of the Agency, and the ability to maintain critical functions.

Information Governance Committee

Supported the ABCC's information management strategy by monitoring effectiveness, promoting best practice information management, and ensuring records, information and data were managed throughout their lifecycles.

Risk Management Framework

The ABCC's Risk Management Framework aligned with the international standard AS/NZ ISO 31000:2018 – Risk Management – Guidelines, the Public Governance, PGPA Act and the Commonwealth Risk Management Policy. The Audit and Risk Committee was responsible for monitoring and assessing the performance of the Risk Management Framework.

Fraud Controls Framework

The ABCC's approach to and compliance with fraud control was in accordance with the Commonwealth Fraud Control Framework and was supported by the Agency's Fraud Control Plan, Fraud Risk Assessment and Fraud Control Strategy.

No reports of fraud committed against the ABCC were made in the reporting period.

Audit and Risk Committee

The ABCC Audit and Risk Committee provided independent advice and assurance to the Commissioner on the Agency's financial and performance reporting responsibilities, risk oversight and management, and systems of internal control (4 pillars).

During the reporting period, the activities of the Agency, including the governance structures that supported it, pivoted to respond to the transition to abolition.

The Committee's charter¹ set out the Committee's role and further details of its members, attendance, experience and remuneration in the reporting period is set out in table 10.

Table 10: Membership details of the Audit and Risk Committee

Member name	Qualifications, knowledge, skills or experience	Number of meetings attended	Total number of meetings held	Total annual remuneration (GST inc.)*
Bronwyn Davies Chair/Independent member	Official of Commonwealth entity, other board experience, risk management, internal controls, government/public policy, information technology systems, financial management, governance, business, accounting. Graduate Certificate in Technology (Business Systems), Bachelor of Economics, Certified Practising Accountant, Certified Internal Auditor, Graduate of the Australian Institute of Company Directors.	3	3	\$7,530
Gayle Ginanne Independent member	Other board experience, risk management, audit, internal controls, industry/regulatory, government/public policy, business, financial management, governance, business accounting. Bachelor of Economics, Bachelor of Arts (Mathematics and Statistics), Master of Defence Studies, Graduate Diploma in Strategic Studies, Fellow of the Australian Institute of Company Directors, Affiliate Member of the Australian Institute of Actuaries.	3	3	\$4,042
Geoff Knuckey Independent member	Other board experience, private and public sectors, risk management, financial statements auditing and statutory reporting, internal controls and processes, corporate governance, business management, strategic performance. Bachelor of Economics (ANU), Fellow of the Institute of Chartered Accountants in Australia, Registered Company Auditor (since 1995), Graduate of the Australian Institute of Company Directors, Member of the Institute of Internal Auditors.	3	3	\$2,695

* Remuneration is set in line with the NSW Government's Prequalification Scheme: Audit and Risk Committee Independent Chairs and Members.

¹ <https://abcc.gov.au/arc-charter>

External scrutiny

During the reporting period, no reports were made by the Auditor-General or by a committee of the House of Representatives regarding the operations of the Agency.

Reports by the Commonwealth Ombudsman

Prior to its repeal, subsection 65(6) of the BCIIIP Act required the Commonwealth Ombudsman to prepare and present to Parliament a report about examinations conducted by the ABC Commissioner. The report included the results of reviews conducted.

The Commonwealth Ombudsman tabled the following report during the reporting period in February 2023:

- ▶ Quarterly Report for 1 April to 30 June 2022

These reports are accessible on the Commonwealth Ombudsman website (<https://www.ombudsman.gov.au/publications-resources-and-faqs>).

Financial management

The ABCC had no instances of significant non-compliance with the financial law to report to the Minister.

Assets management

The ABCC's main asset types were leasehold improvements or fit-outs, computer equipment, internally developed software, and office furniture and equipment. All assets were managed and reported in accordance with relevant accounting standards and Commonwealth policies.

The ABCC's assets and liabilities transferred to the OFWO at abolition on 6 February 2023. During the transition period from 7 December 2022, relevant staff at the ABCC and the OFWO worked together to manage the transfer.

Procurement

All purchases by the ABCC were managed in accordance with the Commonwealth Procurement Rules.

In line with the Commonwealth's Indigenous Procurement Policy (IPP), the ABCC sought to engage Indigenous enterprises at every opportunity.

All open approaches to the market were advertised at www.tenders.gov.au. Any purchase greater than \$10,000 (including GST) was reported on AusTender as soon as practicable.

The ABCC supported small business participation in the Commonwealth Government procurement market. Small and medium enterprises (SME) and small enterprise participation statistics are available at www.finance.gov.au/government/procurement/statistics-australian-government-procurement-contracts.

ABCC procurements with an estimated value greater than \$80,000 (including GST) were subject to an open approach to the market, except those procurements that met Commonwealth Procurement Rules conditions for direct sourcing.

The Senate Order contract listing sets out the ABCC contracts for services costing more than \$100,000 that:

- ▶ have not been fully performed
- ▶ have been entered into during the 12 months prior.

These are made available through the Senate Order Report on the AusTender Senate Order page (www.tenders.gov.au/senateorder/list).

Reportable consultancy contracts

The ABCC engaged consultants when it required independent research or assessment, specialised or professional skills, or skills unavailable within the Agency.

Prior to engaging consultants, the ABCC considered the skills and resources required for the task, the skills available internally, and the cost-effectiveness of engaging external expertise.

Any decisions to engage a consultant were made in accordance with the PGPA Act and related regulations, including the Commonwealth Procurement Rules and relevant internal policies.

During the reporting period, one new consultancy contract was entered into involving total actual expenditure of \$81,072 (including GST).

Table 11: Consultancy contract expenditure

	Number	Expenditure \$'000
New contracts entered into during the reporting period	1	81
Ongoing contracts entered into during the previous reporting period	0	
Total	1	81

Table 12: Consultancy contract expenditure by organisation

Name of organisation	Expenditure \$'000 (GST inc.)
PWC – Price Waterhouse Coopers	81
Total	81

Reportable non-consultancy contracts

A total of 9 new reportable non-consultancy contracts were entered into during the 2022–23 financial year. Total expenditure incurred was \$494,320 (including GST). In addition, 39 ongoing non-consultancy contracts were active during the reporting period, incurring a total expenditure of \$6,423,527.

Table 13: Non-consultancy contract expenditure

	Number	Expenditure \$'000
New contracts entered into during the reporting period	9	494
Ongoing contracts entered into during the previous reporting period	39	6,424
Total	48	6,918

Table 14: Top 5 non-consultancy contract expenditure by organisation*

Name of organisation	Expenditure \$'000 (GST inc.)
Jones Lang Lasalle	1,392
Fair Work Ombudsman	986
Clayton Utz**	770
IA Group Pty Ltd	748
Ashurst	620
Department of Education	358

*Table lists organisations that received the 5 largest shares in reportable non-consultancy contract expenditure and any organisations who received 5% or more of the ABCC's expenditure.

**Reported on AusTender under 5 different entities – Clayton Utz (Sydney and Darwin), Clayton Utz Brisbane, Clayton Utz Canberra, Clayton Utz Melbourne, Clayton Utz Perth.

Advertising and market research

The ABCC did not conduct any advertising campaigns, nor did suppliers provide advertising and market research services during the reporting period.

BCIIP Act Annual Report

This report sets out the activities undertaken by the ABCC for the period from 1 July 2022 until abolition on 6 February 2023. For the purposes of this report, the reporting period is taken to be 1 July 2022 to 30 June 2023.

At the commencement of the reporting period, the ABCC's purpose and functions were consistent with previous reporting periods, as legislated in the BCIIP Act.

The Government began introducing several key administrative and legislative changes from July 2022. These changes impacted the operations of the ABCC throughout the reporting period and are detailed below.

Resumption of Fair Work Act enforcement function by the OFWO

On 10 November 2022, the OFWO resumed its role enforcing the *Fair Work Act 2009* (FW Act) in the commercial building and construction industry, following the rescission of an exchange of letters between the OFWO and ABCC in October 2022.

Secure Jobs, Better Pay Act 2022

On 6 December 2022, the SJBPA Act received Royal Assent, amending the BCIIP Act to repeal the sections that established the ABCC and repealing the Building Code in full. The functions of the Commissioner and Deputy Commissioners were amended to focus on providing advice and assistance to the OFWO throughout the transition period to ensure a smooth transfer of functions.

On 7 December 2022, all of the ABCC's current legal matters transferred to the OFWO.

The ABCC ceased operations on 6 February 2023.

Methodology

The internal cost allocated to investigations and court proceedings in this report are derived from a tailored, activity-based costing module within the ABCC's case management system.

External legal costs were obtained from the ABCC's financial management system during the transition period and have been calculated using standard accrual accounting practices.

Costs included in this report relate to activities undertaken between 1 July 2022 and 7 December 2022 and are correct to 31 January 2023. Any invoices for external legal costs incurred during the reporting period received after this date were transferred to the OFWO for processing.

Performance of functions and exercise of powers

Matters investigated

During the reporting period, the ABCC worked on 84 investigations.

Table 15 shows the breakdown of these investigations by the main allegation being investigated. Table 16 shows the approximate internal cost of each of these investigations.

Table 15: Investigations during the reporting period

Main allegation	Number of investigations
Wages and entitlements	57
Right of entry	12
Non-compliance with notices	4
Unlawful industrial action	3
Coercion	3
Freedom of association	2
Sham contracting	2
Unlawful picketing	1
Total	84

Table 16: Approximate internal cost of each investigation during the reporting period

Main allegation	Cost	Main allegation	Cost
Wages and entitlements	\$566	Wages and entitlements	\$3,333
Wages and entitlements	\$620	Wages and entitlements	\$1,512
Wages and entitlements	\$486	Wages and entitlements	\$933
Wages and entitlements	\$6,185	Non-compliance with notices	\$3,902
Wages and entitlements	\$7,813	Wages and entitlements	\$730
Wages and entitlements	\$4,128	Unlawful industrial action	\$657
Unlawful industrial action	\$160	Wages and entitlements	\$1,178
Unlawful picketing	\$2,039	Right of entry	\$2,298
Wages and entitlements	\$1,227	Wages and entitlements	\$802
Right of entry	\$644	Right of entry	\$6,437
Wages and entitlements	\$213	Wages and entitlements	\$1,989
Freedom of association	\$684	Wages and entitlements	\$1,449
Wages and entitlements	\$268	Wages and entitlements	\$323
Wages and entitlements	\$1,747	Non-compliance with notices	\$2,914
Wages and entitlements	\$3,785	Wages and entitlements	\$991
Wages and entitlements	\$2,497	Non-compliance with notices	\$710
Wages and entitlements	\$1,130	Right of entry	\$1,330
Wages and entitlements	\$561	Wages and entitlements	\$2,423
Wages and entitlements	\$453	Wages and entitlements	\$2,187
Wages and entitlements	\$1,335	Coercion	\$1,704
Wages and entitlements	\$762	Wages and entitlements	\$619
Right of entry	\$2,947	Right of entry	\$4,026
Unlawful industrial action	\$902	Right of entry	\$1,567
Wages and entitlements	\$958	Wages and entitlements	\$1,262
Wages and entitlements	\$343	Wages and entitlements	\$1,265
Wages and entitlements	\$389	Wages and entitlements	\$1,375
Wages and entitlements	\$1,344	Wages and entitlements	\$1,871
Wages and entitlements	\$330	Coercion	\$8,373
Wages and entitlements	\$380	Wages and entitlements	\$2,175
Right of entry	\$10,842	Non-compliance with notices	\$0
Wages and entitlements	\$492	Wages and entitlements	\$2,267
Right of entry	\$5,220	Wages and entitlements	\$1,616
Wages and entitlements	\$492	Wages and entitlements	\$1,047
Freedom of association	\$2,608	Wages and entitlements	\$1,268
Wages and entitlements	\$3,156	Wages and entitlements	\$1,397
Wages and entitlements	\$2,786	Sham contracting	\$3,492
Wages and entitlements	\$246	Wages and entitlements	\$3,540
Right of entry	\$237	Coercion	\$2,095
Wages and entitlements	\$728	Sham contracting	\$1,363
Right of entry	\$14,536	Wages and entitlements	\$3,891
Wages and entitlements	\$1,455	Wages and entitlements	\$2,463
Right of entry	\$633	Wages and entitlements	\$609

Assistance and advice

The ABCC provided assistance and advice by responding to 585 enquiries, including 450 enquiries by building industry participants. Table 17 shows a breakdown of enquiries by main topic and the category of enquirer.

Table 17: Details of assistance and advice provided to building industry participants in response to enquiries

Main topic	Building industry participant
Code	191
General Code information	126
Code advice	17
Code assessment	24
Security of payment	23
Notice of code breach	1
Workplace laws – building work	184
Wages and entitlements	128
Right of entry	32
Coercion	10
Freedom of association	5
Sham contracting	5
Discrimination	2
Unlawful industrial action	1
Unlawful picketing	1
Other laws	30
Agency information and activities	22
Workplace laws – non-building work	19
Not relevant to the building industry	4
Total	450

Building code compliance

In the reporting period, the ABCC finalised 32 audits and 23 inspections to monitor compliance with the Code for the Tendering and Performance of Building Work 2016 (the Code) and the Building Code 2013.

Potential issues were identified in 22 Code audits and 19 inspections. There were no ongoing Code compliance activities at the end of the reporting period.

Matters investigated in relation to building employers

The conduct of employers was the subject of investigation in 66 matters. The conduct of others may also have been considered in these matters.

Table 18 shows the breakdown of these investigations by the main allegation being investigated. Table 19 shows the approximate internal cost of each of these investigations.

Table 18: Main allegation where employers were a subject of the investigation during the reporting period

Main allegation	Number of investigations
Wages and entitlements	56
Non-compliance with notices	4
Coercion	2
Sham contracting	2
Freedom of association	1
Unlawful picketing	1
Total	66

Table 19: Approximate internal cost of each investigation where employers were a subject of the investigation during the reporting period

Main allegation	Cost	Main allegation	Cost
Wages and entitlements	\$566	Wages and entitlements	\$1,512
Wages and entitlements	\$620	Wages and entitlements	\$933
Wages and entitlements	\$486	Non-compliance with notices	\$3,902
Wages and entitlements	\$6,185	Wages and entitlements	\$730
Wages and entitlements	\$7,813	Wages and entitlements	\$1,178
Wages and entitlements	\$4,128	Wages and entitlements	\$802
Unlawful picketing	\$2,039	Wages and entitlements	\$1,989
Wages and entitlements	\$1,227	Wages and entitlements	\$323
Wages and entitlements	\$213	Non-compliance with notices	\$2,914
Wages and entitlements	\$268	Wages and entitlements	\$991
Wages and entitlements	\$1,747	Non-compliance with notices	\$710
Wages and entitlements	\$3,785	Wages and entitlements	\$2,423
Wages and entitlements	\$2,497	Wages and entitlements	\$2,187
Wages and entitlements	\$1,130	Coercion	\$1,704
Wages and entitlements	\$561	Wages and entitlements	\$619
Wages and entitlements	\$453	Wages and entitlements	\$1,262
Wages and entitlements	\$1,335	Wages and entitlements	\$1,265
Wages and entitlements	\$762	Wages and entitlements	\$1,375
Wages and entitlements	\$958	Wages and entitlements	\$1,871
Wages and entitlements	\$343	Wages and entitlements	\$2,175
Wages and entitlements	\$389	Non-compliance with notices	\$0
Wages and entitlements	\$1,344	Wages and entitlements	\$2,267
Wages and entitlements	\$330	Wages and entitlements	\$1,616
Wages and entitlements	\$380	Wages and entitlements	\$1,047
Wages and entitlements	\$492	Wages and entitlements	\$1,268
Wages and entitlements	\$492	Wages and entitlements	\$1,397
Freedom of association	\$2,608	Sham contracting	\$3,492
Wages and entitlements	\$3,156	Wages and entitlements	\$3,540
Wages and entitlements	\$2,786	Coercion	\$2,095
Wages and entitlements	\$246	Sham contracting	\$1,363
Wages and entitlements	\$728	Wages and entitlements	\$3,891
Wages and entitlements	\$1,455	Wages and entitlements	\$2,463
Wages and entitlements	\$3,333	Wages and entitlements	\$609

Proceedings commenced

In the reporting period, the ABC Commissioner commenced 7 court proceedings. Table 20 provides the approximate internal legal cost for each of the court proceedings and the category of building industry participants involved.

Table 20: Proceedings commenced by category of building industry participant and approximate internal legal cost for each proceeding during the reporting period

Case number	Category of building industry participant	Number of respondents	Internal legal cost
SYG1130/2022	Trade Union	1	\$5,220
	Trade Union Representative	1	
MLG2251/2022	Trade Union	1	\$2,298
	Trade Union Representative	1	
BRG368/2022	Trade Unions	2	\$2,947
	Trade Union Representatives	2	
WAD236/2022	Trade Union	1	\$8,373
	Trade Union Representatives	2	
NSD738/2022	Trade Union	1	\$2,039
	Trade Union Representatives	5	
SYG1212/2022	Employer (Organisation)	1	\$2,914
	Employer (Individual)	1	
BRG530/2022	Employer (Organisation)	1	\$3,902

The ABC Commissioner did not file any appeals during the reporting period. Three appeals were filed against the ABC Commissioner.

The ABC Commissioner intervened in one proceeding in the FWC. Table 21 provides the details of this proceeding.

The ABC Commissioner did not intervene in any court proceedings during the reporting period.

Table 21: ABCC interventions in FWC proceedings

Case number	Type of proceedings	Name
RE2022/533	Application to revoke or suspend entry permit	Daniel Bessell

Number and cost of proceedings finalised

In the reporting period, the ABC Commissioner finalised his involvement in 8 court proceedings. Table 22 shows the internal and external legal cost for each proceeding. The costs were incurred between 2 December 2016 and 7 December 2022.

Table 22: Proceedings finalised and total legal costs during the reporting period

Case number	Total legal cost
BRG9/2022	\$54,584
SAD136/2020*	\$237,447
BRG365/2020*	\$115,799
VID300/2019	\$301,717
SYG825/2021	\$275,082
SYG2015/2020*	\$508,889
BRG1307/2018	\$233,599
MLG1062/2022	\$32,552

* Proceeding currently subject to appeal.

Three appeal decisions were delivered that relate to previously finalised matters. Table 23 shows the internal and external legal cost for these appeal decisions.

Table 23: Appeal decisions related to previously finalised matters and total legal costs

Case number	Total legal cost
VID489/2021	\$80,583
ACD43/2020	\$58,742
VID746/2021	\$70,534

The ABC Commissioner finalised his involvement in 5 proceedings in the FWC. Table 24 shows the total external and internal legal cost for each proceeding.

Table 24: FWC proceedings in which the ABCC finalised its involvement and total legal costs

Case number	Total legal cost
RE2021/1027	\$9,697
RE2022/224	\$2,343
RE2022/225	\$10,492
RE2022/360 & RE2022/361	\$7,292
RE2022/533	\$5,117

There were no FWC appeal decisions delivered relating to previously finalised matters and no court proceedings in which the ABC Commissioner intervened that were finalised during the reporting period.

Legal expenses incurred as a result of enforcement action

In the reporting period, the ABCC incurred \$1,649,647 in external legal expenses as a result of enforcement action undertaken in 64 matters.

Details of industry conditions

In the reporting period, the ABCC received 63 complaints. Table 25 shows the breakdown of complaints received by the main topic discussed.

Table 25: Complaints received by main topic during the reporting period

Main topic of complaint	Total
Wages and entitlements	47
Coercion	7
Right of entry	4
Sham contracting	2
Freedom of association	2
Unlawful industrial action	1
Total	63

Compliance of products used in building work

Section 26(8) of the Building Code 2016 required funding entities to only enter into contracts for building work that require the use of products that comply with the relevant Australian standards published by, or on behalf of, Standards Australia.

No instances of non-compliance with section 26(8) by funding entities were identified by the ABCC during the reporting period.

This requirement was removed with the repeal of the Code on 6 December 2022.

Examination notices issued

In the reporting period, the Administrative Appeals Tribunal (AAT) issued 6 examination notices on the application of the ABC Commissioner. Table 26 shows the breakdown of examinations by main allegation.

Table 26: Examination notices issued during the reporting period

Main allegation	Notices issued
Right of entry	6
Total	6

Additional reporting

Directions given by Minister

During the reporting period, no directions were issued by the Minister to the Australian Building and Construction Commissioner under sections 17 or 18 of the BCIIIP Act.

Delegations made by the Commissioner

During the reporting period, the Australian Building and Construction Commissioner did not make any delegations under section 19 of the BCIIIP Act.





PART 5

Australian Building and Construction Commission financial statements

Independent auditor's report

**Statement by the Accountable Authority
and Chief Financial Officer**

Primary financial statements and notes



INDEPENDENT AUDITOR'S REPORT

To the Minister for Employment and Workplace Relations

Opinion

In my opinion, the financial statements of the Australian Building and Construction Commission (the Entity) for the period ended 5 February 2023:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 5 February 2023 and its financial performance and cash flows for the period then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 5 February 2023 and for the period then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the nominated Accountable Authority of the Entity, the Fair Work Ombudsman is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Fair Work Ombudsman is also responsible for such internal control as the Fair Work Ombudsman determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

In preparing the financial statements, the Fair Work Ombudsman is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Fair Work Ombudsman is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting. My conclusions are based on the audit evidence obtained up to the date of my auditor's report; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Saminda Maddumahewa

Senior Director

Delegate of the Auditor-General

Canberra

13 September 2023

Statement by the Accountable Authority and Chief Financial Officer

In our opinion, the attached financial statements for the period ending 5 February 2023 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

As this is the final statement for the Australian Building and Construction Commission all remaining debts have been transferred to the Office of the Fair Work Ombudsman to be paid as and when they fall due.



Anna Booth
Accountable Authority
Office of the Fair Work Ombudsman
12 September 2023



Rico Zhang
Chief Financial Officer
Office of the Fair Work Ombudsman
12 September 2023

On behalf of the Australian Building and Construction Commissioner

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Statement of Comprehensive Income

for the period ended 5 February 2023

			Original Budget ¹	
	Notes	2023 \$'000	2022 \$'000	2023 \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	6,492	18,847	10,569
Suppliers	1.1B	2,344	9,786	5,024
Depreciation and amortisation	3.2A	1,806	3,299	3,145
Finance costs		27	300	50
Write-down and impairment of other assets	1.1C	4,558	1	-
Loss on disposal of make good		72	-	-
Total expenses		15,299	32,233	18,788
Own-Source Revenue				
Rental income		82	264	-
Other revenue	1.2A	36	660	126
Total own-source revenue		118	924	126
Gains				
Other gains	1.2B	551		
Total gains		551	-	-
Total own-source income		669	924	126
Net (cost of)/contribution by services		(14,630)	(31,309)	(18,662)
Revenue from Government		-	34,304	16,482
Surplus/(Deficit) on continuing operations		(14,630)	2,995	(2,180)
Total comprehensive income/(loss)		(14,630)	2,995	(2,180)

The above statements should be read in conjunction with the accompanying notes.

1. The ABCC's original budget reflects the figures presented in the 2022–23 October Portfolio Budget Statements (PBS). The budgeted financial statements have not been audited.

Statement of Financial Position

as at 5 February 2023

		2023	2022	Original Budget ¹
	Notes	\$'000	\$'000	2023 \$'000
ASSETS				
Financial assets				
Cash and cash equivalents		-	154	154
Trade and other receivables		-	56,721	56,618
Total financial assets		-	56,875	56,772
Non-financial assets				
Right-of-use assets	3.2A	-	5,945	4,973
Leasehold improvements	3.2A	-	2,709	1,800
Plant and equipment	3.2A	-	142	568
Intangibles	3.2A	-	133	102
Other non-financial assets		-	413	413
Total non-financial assets		-	9,342	7,856
Total assets		-	66,217	64,628
LIABILITIES				
Payables				
Suppliers	3.3A	-	2,276	2,276
Other payables	3.3B		738	738
Total payables		-	3,014	3,014
Interest Bearing Liabilities				
Leases	3.4	-	6,301	6,445
Total interest bearing liabilities		-	6,301	6,445
Provisions				
Employee provisions	6.1	-	4,514	4,514
Other provisions	3.5	-	314	314
Total provisions		-	4,828	4,828
Total liabilities		-	14,143	14,287
Net assets		-	52,074	50,341
EQUITY				
Contributed equity		(30,158)	7,286	7,733
Reserves		66	66	66
Retained earnings		30,092	44,722	42,542
Total equity		-	52,074	50,341

The above statements should be read in conjunction with the accompanying notes.

1. The ABCC's original budget reflects the figures presented in the 2022-23 October Portfolio Budget Statements (PBS). The budgeted financial statements have not been audited.

Statement of Changes in Equity

for the period ended 5 February 2023

			Original Budget ¹	
	Notes	2023 \$'000	2022 \$'000	2023 \$'000
CONTRIBUTED EQUITY				
Opening Balance				
Balance carried forward from previous period		7,286	6,846	7,286
Opening balance		7,286	6,846	7,286
Comprehensive Income				
Distributions to owners				
Repeal of capital appropriation		(369)	-	-
Contributions by owners				
Restructuring - Net Assets to OFWO		(28,859)	-	-
Restructuring - Transferred functions to OFWO		(8,243)		-
Departmental capital budget		27	440	447
Total transactions with owners		(37,444)	440	447
Closing balance as at 5 February 2023		(30,158)	7,286	7,733
RETAINED EARNINGS				
Opening Balance				
Balance carried forward from previous period		44,722	41,727	44,722
Adjusted opening balance		44,722	41,727	44,722
Comprehensive Income				
Surplus/(Deficit) for the period		(14,630)	2,995	(2,180)
Total comprehensive income		(14,630)	2,995	(2,180)
Closing balance as at 5 February 2023		30,092	44,722	42,542
ASSET REVALUATION RESERVE				
Opening Balance				
Balance carried forward from previous period		66	66	66
Opening balance		66	66	66
Closing balance as at 5 February 2023		66	66	66
TOTAL EQUITY				
		-	52,074	50,341

The above statement should be read in conjunction with the accompanying notes.

1. The ABCC's original budget reflects the figures presented in the 2022–23 October Portfolio Budget Statements (PBS). The budgeted financial statements have not been audited.

Cash Flow Statement

for the period ended 5 February 2023

			Original Budget¹
		2023	2022
Notes		\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	17,811	29,989	16,585
Sales of goods and rendering of services	173	929	-
Net GST received	588	937	1,181
Other Received	-	-	91
Total cash received	18,572	31,855	17,857
Cash used			
Employees	10,613	20,080	10,569
Suppliers	5,262	8,506	4,989
Net GST paid	-	-	1,181
Interest payments on lease liabilities	27	60	50
Section 74 receipts transferred to the Official Public Account	1,644	937	-
Total cash used	17,546	29,583	16,789
Net cash from operating activities	1,026	2,272	1,068
INVESTING ACTIVITIES			
Cash used			
Purchase of non-financial assets	27	929	550
Total cash used	27	929	550
Net cash used by investing activities	(27)	(929)	(550)
FINANCING ACTIVITIES			
Cash received			
Contributed equity	27	586	447
Total cash received	27	586	447
Cash used			
Principal payments of lease liabilities	1,180	2,078	965
Total cash used	1,180	2,078	965
Net cash used by financing activities	(1,153)	(1,492)	(518)
Net increase/(decrease) in cash held	(154)	(149)	-
Cash and cash equivalents at the beginning of the reporting period	154	303	154
Cash and cash equivalents at the end of the reporting period	-	154	154

The above statement should be read in conjunction with the accompanying notes.

1. The ABCC's original budget reflects the figures presented in the 2022-23 October Portfolio Budget Statements (PBS). The budgeted financial statements have not been audited.

Budget Variance Commentary

The following provides explanations to significant variances between the original budget estimates, as published in the 2022-23 Portfolio Budget Statements, and the actual financial position and performance for the year.

Statement of Comprehensive Income

Major variances and explanations	Affected line items
Employee and supplier expenses are less than budgeted due to the reporting requirements of the restructure with expenses relating to transferred functions being reported in the OFWO financial statements.	<ul style="list-style-type: none"> ▶ Employee benefits ▶ Suppliers
Depreciation and amortisation expenses are lower than budget, offset by impairments of non-financial assets, due to the early termination of leases on abolishment.	<ul style="list-style-type: none"> ▶ Depreciation and amortisation ▶ Write-down and impairment of other assets
Current year appropriation was transferred to the OFWO through a section 75 transfer resulting in nil revenue from Government recognised in 2023.	<ul style="list-style-type: none"> ▶ Revenue from Government

Statement of Financial Position and Statement of Changes in Equity

Due to the abolishment of ABCC on 6 February 2023, all assets and liabilities have been transferred to the OFWO. The value of net assets has been recorded in Contributed Equity and reported in the restructuring note 8.2A.

Cash Flow Statement

Major variances and explanations	Affected line items
Appropriation receipts and Section 74 receipts transferred to the Official Operating Account are not estimated in the budget and are an offsetting adjustment.	<ul style="list-style-type: none"> ▶ Operating Activities

Administered Schedule of Comprehensive Income

for the period ended 5 February 2023

	Notes	2023 \$'000	2022 \$'000
NET COST OF SERVICES			
Expenses			
Write-down and impairment of assets		41	-
Total Expenses		41	-
Income			
Non-taxation revenue			
Court-awarded penalties	2.1A	351	3,301
Other revenue	2.1B	-	54
Total Income		351	3,355
Total Comprehensive Income		351	3,355

The above statement should be read in conjunction with the accompanying notes.

Administered activities relate to court awarded penalties and due to their nature are not included in the Portfolio Budget Statements

Administered Schedule of Assets and Liabilities

as at 5 February 2023

	Notes	2023 \$'000	2022 \$'000
ASSETS			
Financial assets			
Receivables	4.1	-	1,084
Other financial assets	4.1	-	384
Total financial assets		-	1,468
Total Assets Administered on Behalf of Government		-	1,468
LIABILITIES			
Total Liabilities Administered on Behalf of Government		-	-
Net Assets		-	1,468

The above statement should be read in conjunction with the accompanying notes.

Administered Reconciliation Schedule

as at 5 February 2023

	2023 \$'000	2022 \$'000
Opening assets less liabilities as at 1 July	1,468	572
Net contribution by services:		
Administered income	351	3,355
Administered expenses	(41)	-
Transfers (to)/from Australian Government:		
Transfers to Official Public Account	(1,147)	(1,073)
Transfers to Official Public Account by other agencies	(619)	(1,386)
Restructure	(12)	-
Closing assets less liabilities as at 5 February 2023	-	1,468

The above statement should be read in conjunction with the accompanying notes.

Accounting Policy

Revenue collected by the ABCC for use by the government rather than the ABCC is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under parliamentary appropriation on behalf of government. These transfers to and from the OPA are adjustments to the administered cash held by the ABCC on behalf of the government and reported as such in the schedule of administered cash flow and in the administered reconciliation schedule.

Administered Cash Flow Statement

for the period ended 5 February 2023

	2023 \$000	2022 \$000
OPERATING ACTIVITIES		
Cash received		
Court-awarded penalties	1,766	1,073
Total cash received	1,766	1,073
Net cash from operating activities	1,766	1,073
Cash to the Official Public Account		
Administered receipts	(1,766)	(1,073)
Total cash to the Official Public Account	(1,766)	(1,073)
Cash and cash equivalents at the end of the reporting period	-	-

The above statement should be read in conjunction with the accompanying notes.

Notes to and Forming Part of the Financial Statements

for the period ended 5 February 2023

Overview

The Australian Building and Construction Commission (ABCC) was an independent Australian Government controlled not-for-profit entity established under the *Building and Construction Industry (Improving Productivity) Act 2016*.

ABCC was structured to meet a single outcome:

Outcome 1: Enforce workplace relations laws in the building and construction industry and ensure compliance with those laws by building industry participants through the provision of education, assistance and advice.

Basis of Preparation

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance Performance and Accountability Act 2013* (PGPA Act).

The financial statements have been prepared in accordance with:

- ▶ Division 4 of Part 2-3, Public Governance, Performance and Accountability Rule 2014;
- ▶ Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR);
- ▶ Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements are for the reporting period 1 July 2022 to 5 February 2023 and have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets which are reported at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. As required by AASB 101 Presentation of Financial Statements, paragraph 25, the financial statements have been prepared on a non-ongoing concern basis as the ABCC has been abolished with effect of 5 February 2023. In adopting the non-ongoing concern basis of accounting, the disclosure requirements of Australian Accounting Standards – Simplified Disclosures, to the extent they are relevant to the non-ongoing concern basis have been applied and modified where this is considered appropriate.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars.

New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements – Two amending standards (AASB 2021-2 and AASB 2021-6) were adopted earlier than the application date as stated in the standard. These amending standards have been adopted for the 2022-23 reporting period as follows:

Standard/Interpretation	Nature of change in accounting policy, transitional provision, and adjustment to financial statements
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (AASB 2021-2); and	AASB 2021-2 amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. The amending standard requires the disclosure of material, rather than significant, accounting policies, and clarifies what is considered a change in accounting policy compared to a change in accounting estimate.
AASB 2021-6 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (AASB 2021-6)	AASB 2021-6 amends the Tier 2 reporting requirements set out in AASB 1049, AASB 1054 and AASB 1060 to reflect the changes made by AASB 2021-2.

The details of the changes in accounting policies and adjustments are disclosed in the relevant notes to the financial statements. This amending standard is not expected to have a material impact on the ABCC's financial statements for the current reporting period.

Taxation

The ABCC is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST). Revenues, expenses and non-financial assets are recognised net of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and for receivables and payables.

Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Restructuring

On 6 December 2022 the *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022* received royal assent, abolishing the ABCC on 6 February 2023. On ceasing, all remaining assets and liabilities were transferred to the Office of the Fair Work Ombudsman (OFWO).

In accordance with the Public Governance, Performance and Accountability Rule 1014, Division 4 special reporting requirements when Commonwealth Entity has ceased to exist and section 17C where some, but not all, of its functions have been transferred, only the functions relating to the building code and corporate functions are reported by the ABCC. All Compliance, Enforcement and Legal functions are reported in the OFWO annual report.

Further information is included in Note 8.2A Restructuring.

Events After the Reporting Date

As the ABCC ceased on 6 February, any events that occur after this date will be reported by the OFWO.

1. Departmental Financial Performance

1.1 Expenses

	2023 \$'000	2022 \$'000
1.1A: Employee benefits		
Wages and salaries	2,488	13,955
Superannuation:		
Defined contribution plans	449	2,077
Defined benefit plans	134	462
Leave and other entitlements	806	2,255
Separation and redundancies	2,615	98
Total employee benefits	6,492	18,847

Accounting policies for employee-related expenses are contained in the People and relationships section.

	2023 \$'000	2022 \$'000
1.1B: Suppliers		
Goods and services supplied or rendered		
Information and communications technology	604	1,943
Legal	1	4,730
Travel	63	337
Outsourced corporate services	383	657
Training	28	265
Office services	57	148
Property services	169	322
Consultants	96	71
Other	271	742
Total goods and services supplied or rendered	1,672	9,215
Goods supplied	22	408
Services rendered	1,650	8,807
Total goods and services supplied or rendered	1,672	9,215
Other suppliers		
Workers compensation expenses	105	105
Operating lease rentals ¹	567	466
Total other suppliers	672	571
Total suppliers	2,344	9,786

1. The ABCC has no short-term lease commitments as at 5 February 2023 (30 June 2022: \$0.089M). The above lease disclosures should be read in conjunction with 3.2 Non-Financial Assets and Intangibles and 3.4 Interest Bearing Liabilities.

Accounting policy

Short-term leases and leases of low-value assets

The ABCC has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). The Entity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Finance costs

All borrowing costs are expensed as incurred. The ABCC's departmental finance costs relate to interest on lease liabilities.

	2023 \$000	2022 \$000
1.1C: Write-down and impairment of other assets		
Impairment of Right-of-Use building assets	2,187	-
Impairment of leasehold improvements	2,255	-
Impairment of plant and equipment	55	1
Impairment of software	61	-
Total Write-down and impairment of other assets	4,558	1

In 2023 the ABCC's lease arrangements were terminated as part of abolishment activities resulting in impairment on disposal of Right-of-Use and leasehold improvement assets.

1.2 Own-Source Revenue and Gains

	2023 \$000	2022 \$000
1.2A: Other Revenue		
Court-awarded costs	-	625
Resources received free of charge/remuneration of auditors	35	35
Other	1	-
Total	36	660

Accounting policy

Resources received free of charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined, and the services would have been purchased if they had not been donated. Use of these resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Court-awarded costs

Costs awarded in favour of the ABCC by the courts are treated as own source income under section 74 of the PGPA Act.

	2023 \$'000	2022 \$'000
1.2B: Other Gains		
Gain on derecognition of leave liabilities	179	-
Gain on termination of motor vehicle leases	372	-
Total	551	-

Gains relate to the abolishment of the ABCC including derecognition of the employee leave discounting and oncost provisions, and the termination of motor vehicle lease contracts with SG Fleet.

2. Income and Expenses Administered on Behalf of Government

2.1 Administered Income

	2023 \$'000	2022 \$'000
2.1A: Fees and Fines		
Court awarded penalties	351	3,301
Total fees and fines	351	3,301

Accounting policy

All administered revenues are revenues relating to ordinary activities performed by the ABCC on behalf of the Australian Government. As such, administered appropriations are not revenues of the ABCC.

The ABCC received monies for court-awarded penalties under the *Building and Construction Industry (Improving Productivity) Act 2016*, *Fair Work (Building Industry) Act 2012*, the *Independent Contractors Act 2006* and the *Fair Work Act 2009*. Court awarded penalties are recognised when the court rules in favour of any claims initiated by the ABCC. Collectability of debts is reviewed at the reporting date. Impairment allowances are made when the collectability of the debt is judged to be less, rather than more, likely. Remaining debts on 6 February 2023 were transferred to the OFWO for collection.

	2023 \$'000	2022 \$'000
2.1B: Other revenue		
Bad debts recovered	-	54
Total other revenue	-	54

3. Departmental Financial Position

3.1 Financial Assets

	2023 \$000	2022 \$000
3.1A: Trade and other receivables		
Goods and services receivable		
Goods and services receivable	-	90
Total goods and services receivable	-	90
Appropriations receivable		
Appropriations receivable	-	56,477
Total appropriations receivable	-	56,477
Other receivables		
GST receivable from the Australian Taxation Office	-	114
Other	-	40
Total other receivables	-	154
Total trade and other receivables	-	56,721

Credit terms for trade receivables were within 20 days (2021–22: 20 days).

All trade and other receivables were assessed for impairments at reporting date. No indicators of impairment were identified for trade and other receivables.

Accounting policy

Financial assets

Trade and other receivables are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

Impairment of financial assets

Financial assets are assessed for credit risk on initial recognition and subsequently assessed for impairment at the end of each reporting period.

Cash and Cash Equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents is entirely comprised of demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. The ABCC generally does not hold cash on hand, with none held at 5 February 2023 (2022: nil).

3.2 Non-Financial Assets

3.2A: Reconciliation of Property, Plant and Equipment and Intangibles

	Buildings \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Computer Software \$'000	Total \$'000
As at 1 July 2022					
Gross book value	12,289	5,763	886	715	19,653
Accumulated depreciation, amortisation and impairment	(6,344)	(3,054)	(744)	(582)	(10,724)
Total as at 1 July 2022	5,945	2,709	142	133	8,929
Additions					
Purchase	-	27	-	-	27
Depreciation and amortisation	-	(481)	(86)	(72)	(639)
Depreciation on right-of-use assets ¹	(1,167)	-	-	-	(1,167)
Disposals	-	(2,255)	(56)	(61)	(2,372)
Disposals right-of-use assets	(4,778)	-	-	-	(4,778)
Total as at 5 February 2023	-	-	-	-	-
Total as at 5 February 2023 represented by:					
Gross book value	-	-	-	-	-
Accumulated depreciation, amortisation and impairment	-	-	-	-	-
Total as at 5 February 2023	-	-	-	-	-
Carrying amount of right-of-use assets	-	-	-	-	-

The ABCC was abolished in 2023 and all assets were disposed.

The ABCC's assets in 2022 were valued at current replacement cost and determined to be held at fair value. The significant unobservable inputs used in 2022 in the fair value measurement of the ABCC's leasehold improvements and property, plant and equipment asset classes relate to the consumed economic benefit/asset obsolescence.

1. The \$2.187million impairment of the right-of-use assets in Note 1.1C was included in the total disposals of \$4.778 million.

3.3 Payables

	2023 \$'000	2022 \$'000
3.3A: Suppliers		
Trade creditors and accruals	-	2,276
Total suppliers	-	2,276

Settlement is usually made net 20 days.

	2023 \$'000	2022 \$'000
3.3B: Other Payables		
Salaries and wages	-	354
Superannuation	-	55
APS transfers to other agencies	-	312
Other payables	-	17
Total other payables	-	738

The accounting policy for supplier and other payables is included in Note 7.2A financial instruments.

3.4 Interest Bearing Liabilities

	2023 \$'000	2022 \$'000
3.4: Leases		
Lease liabilities	-	6,301
Total leases	-	6,301

Total cash outflow for leases for the period ended 5 February 2023 was \$1.180 million (2022: \$2.078 million). All leases were terminated prior to the ABCC being abolished on 6 February 2023.

	2023 \$'000	2022 \$'000
Maturity analysis – contractual undiscounted cash flows		
Within 1 year	-	2,308
Between 1 to 5 years	-	4,745
More than 5 years	-	-
Total leases	-	7,125

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B and 3.2.

Accounting policy

For all new contracts entered into, the ABCC considers whether the contract is, or contains a lease. A lease is defined as a 'contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is measured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

3.5 Other Provisions

Provision for the restoration of leased premises (make good) is based on future obligations relating to the underlying assets and is supported by independent qualified valuers' opinions.

	Provision for Restoration \$'000
As at 1 July 2022	314
Amounts used	(314)
Total as at 5 February 2023	-

The ABCC had 2 agreements in 2022 for the leasing of premises which have a provision requiring the Agency to restore the premises to its original condition at the expiry of the lease.

4. Assets and Liabilities Administered on Behalf of Government

4.1 Administered – Financial Assets

	2023 \$'000	2022 \$'000
4.1A: Trade and other receivables		
Other receivables		
Court-awarded penalties	-	1,089
Total trade and other receivables (gross)	-	1,089
Less Impairment allowance		
Other receivables – Court-awarded penalties	-	(5)
Total trade and other receivables (net)	-	1,084

All receivables are expected to be settled within 12 months.

Accounting policy

Receivables

Receivables are carried at amortised cost. Gains and losses due to impairment, derecognition and amortisation are recognised through profit or loss.

	2023 \$'000	2022 \$'000
4.1B: Other financial assets		
Accrued revenue	-	384
Total trade and other receivables (gross)	-	384

5. Funding

5.1 Appropriations

The following table outlines appropriations for the period and the amount utilised for the period.

5.1A: Annual appropriations ('recoverable GST exclusive')

Annual Appropriations for 2023

	Annual Appropriation ¹ \$'000	Adjustments to appropriation ² \$'000	Total appropriation \$'000	Appropriation applied in 2023 (current and prior years) \$'000	Variance ³ \$'000
Departmental					
Ordinary annual services	34,426	(33,427)	999	25,620	(24,621)
Departmental capital budget ⁴	447	(420)	27	27	-
Total departmental	34,873	(33,847)	1,026	25,647	(24,621)

1. In 2023 no amounts have been withheld under section 51 of the PGPA Act or quarantined for administrative reasons.

2. Adjustments to appropriations in Departmental includes adjustment to current year annual appropriations for PGPA section 74 receipts of \$1.056 million and current year PGPA Section 75 transfers of \$34.483 million in ordinary annual services and \$0.420 million in Departmental Capital Budget (DCB) to the OFWO.

3. The variance between total appropriation and appropriation applied in 2023 relates to the prior year unspent appropriation that was drawn down in the current financial year.

4. Departmental Capital Budgets are appropriated through Appropriation Acts (No. 1, 3, 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.

Annual Appropriations for 2022

	Annual Appropriation ¹ \$'000	Adjustments to appropriation ² \$'000	Total appropriation \$'000	Appropriation applied in 2022 (current and prior years) \$'000	Variance ³ \$'000
Departmental					
Ordinary annual services	34,304	937	35,241	30,926	4,315
Departmental capital budget ⁴	440	-	440	586	(146)
Total departmental	34,744	937	35,681	31,512	4,169

1. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.

2. Adjustments to Appropriation in 2021–22 comprised PGPA Act Section 74 receipts of \$0.937 million.

3. The variance between total appropriation and appropriation applied in 2022 relates to less than expected payments for suppliers and employee expenses.

4. Departmental Capital Budgets are appropriated through Appropriation Acts (No. 1, 3, 5). They form part of ordinary annual services and are not separately identified in the appropriation acts.

5.1B: Unspent departmental annual appropriations ('Recoverable GST exclusive')

	2023	2022
	\$'000	\$'000
Appropriation Supply Act (No. 1) – Capital Budget (DCB) 2019–20	-	184
Appropriation Act (No. 1) – Capital Budget (DCB) 2019–20	-	185
Appropriation Supply Act (No. 1) 2020–2021	-	7,349
Appropriation Act (No. 1) 2020–2021	-	13,161
Appropriation Act (No. 1) – Capital Budget (DCB) 2021–22 ¹	-	296
Appropriation Act (No. 1) 2021–2022 ¹	-	35,456
Total	-	56,631

Unspent appropriation includes cash and cash equivalents on hand at 5 February 2023. All appropriations were transferred to OFWO on abolishment of the ABCC.

1. The remaining Appropriation Act 1 of \$31,345 million operating and \$0.296 million in DCB were transferred under section 75 of the PGPA Act to the OFWO.

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the ABCC gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

5.2 Net cash appropriation arrangements**5.2A: Net cash appropriation arrangements**

	2023	2022
	\$'000	\$'000
Total comprehensive (loss)/income – as per the Statement of Comprehensive Income ¹	(14,630)	2,995
Plus: depreciation/amortisation of assets funded through revenue appropriation	639	1,167
Plus: depreciation right-of-use assets	1,167	2,137
Less: principal repayments-leased assets	(1,180)	(2,078)
Net Cash Operating (Deficit)/Surplus	(14,004)	4,216

1. From 2010–11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities and selected corporate Commonwealth entities were replaced with a separate capital budget provided through equity injections. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

2. The inclusion of depreciation/amortisation expenses related to right-of-use leased assets and the lease liability principal repayment amount reflects the impact of AASB 16 Leases, which does not directly reflect a change in appropriation arrangements.

6. People and Relationships

6.1 Employee provisions

	2023 \$'000	2022 \$'000
6.1A: Employee provisions		
Leave	-	4,512
Separations and redundancies	-	-
Other	-	2
Total	-	4,514

Accounting policy

Liabilities for short-term employee benefits and termination benefits expected to be settled within 12 months of the end of reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any), out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for personal leave as all personal leave is non-vesting and the average personal leave taken in future years by employees of the ABCC is estimated to be less than the annual entitlement for personal leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the ABCC's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The estimate of the present value of the long service leave liability takes into account attrition rates and pay increases through promotion and inflation using the shorthand method prescribed in the FRR.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. The ABCC recognises a provision for termination benefits when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

The ABCC's staff are members of either the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS Accumulation Plan (PSSap) or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The ABCC makes employer contributions to the employees' defined benefit superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government. The ABCC accounts for the contributions as if they were contributions to defined contribution plans.

Accounting judgements and estimates

In the process of applying the accounting policies listed in this note, the Agency has made the following judgments that have significant impact on the amounts recorded in the financial statements: the Australian Government shorthand method has been used to estimate the present value of long service leave liabilities. This involves the estimation of salary growth rates, discount rates, the probability of leave vesting and the amount of leave expected to be settled in service.

6.2 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the ABCC. The ABCC has determined the key management personnel to be the Attorney-General and Minister for Industrial Relations, the Commissioner, Deputy Commissioners and Senior Executive officers. Key management personnel remuneration is reported in the table below.

	2023 \$'000	2022 \$'000
6.2: Key management personnel		
Short-term employee benefits	1134	2,003
Post-employment benefits	154	261
Other long-term employee benefits	29	50
Termination benefits	879	-
Total key management personnel remuneration expenses¹	2,196	2,314

The total number of key management personnel that are included in the above table are 8 (2021–22: 8).

1. The above key management personnel remuneration excludes the remunerations and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the ABCC.

6.3 Related Party Disclosures

Related party relationships

The ABCC is an Australian Government controlled entity. Related parties to the ABCC are Key Management Personnel including the Portfolio Minister, Commissioner, Deputy Commissioners and Senior Executive officers.

Transactions with related parties

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. These transactions have not been separately disclosed in this note.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the ABCC, it has been determined that there are no related party transactions to be separately disclosed.

7. Managing Uncertainties

7.1 Contingent Assets and Liabilities

At 5 February 2023, the ABCC had no quantifiable or unquantifiable contingent assets or liabilities (2022: nil).

Administered – At 5 February 2023 the ABCC had no quantifiable or unquantifiable contingent assets or liabilities. At 30 June 2022, the ABCC had 10 unquantifiable administered contingent assets relating to matters before the courts that are considered more likely than not to lead to a penalty order.

Accounting policy

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when the likelihood of settlement is greater than remote.

7.2 Financial Instruments

	2023 \$'000	2022 \$'000
7.2A: Categories of Financial Instruments		
Loans and Receivables		
Cash and cash equivalents	-	154
Goods and services Receivable	-	90
Other Receivables	-	40
Total Loans and receivables	-	284
Total Financial Assets	-	284
Financial liabilities measured at amortised cost		
Suppliers	-	2,276
Total financial liabilities measured at amortised cost	-	2,276
Total financial liabilities	-	2,276

Accounting policy

Financial assets at amortised cost

Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

In accordance with AASB 9 Financial Instruments, the entity classifies its financial assets measured at amortised cost. Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Effective interest method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Financial liabilities

Financial liabilities are recognised and derecognised upon 'trade date'. Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis. Supplier and other payables are recognised at amortised cost to the extent that the goods or services have been received (and irrespective of having been invoiced).

8. Other Information

8.1 Current/Non-Current Distinction for Assets and Liabilities

	2023 \$'000	2022 \$'000
8.1A: Current/non-current distinction for assets and liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	-	154
Trade and other receivables	-	56,721
Other non-financial assets	-	413
Total no more than 12 months	-	57,288
More than 12 months		
Right-of-use assets	-	5,945
Leasehold improvements	-	2,709
Plant and equipment	-	142
Intangibles	-	133
Total more than 12 months	-	8,929
Total assets	-	66,217
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	-	2,276
Other payables	-	738
Employee provisions	-	2,119
Other provisions	-	72
Leases	-	2,052
Total no more than 12 months	-	7,257
More than 12 months		
Leases	-	4,249
Employee provisions	-	2,395
Other provisions	-	242
Total more than 12 months	-	6,886
Total liabilities	-	14,143
8.1B: Administered current/non-current distinction for assets and liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Trade and other receivables	-	1,468
Total no more than 12 months	-	1,468
Total more than 12 months		
	-	-
Total assets	-	1,468

8.2 Restructuring

**Compliance, Enforcement
and Legal Functions
transferred to the OFWO**
2023
\$'000

8.2A: Restructuring

FUNCTIONS relinquished

Assets relinquished

Appropriation receivable	31,698
Other receivables	79
Total assets relinquished	31,777

Liabilities relinquished

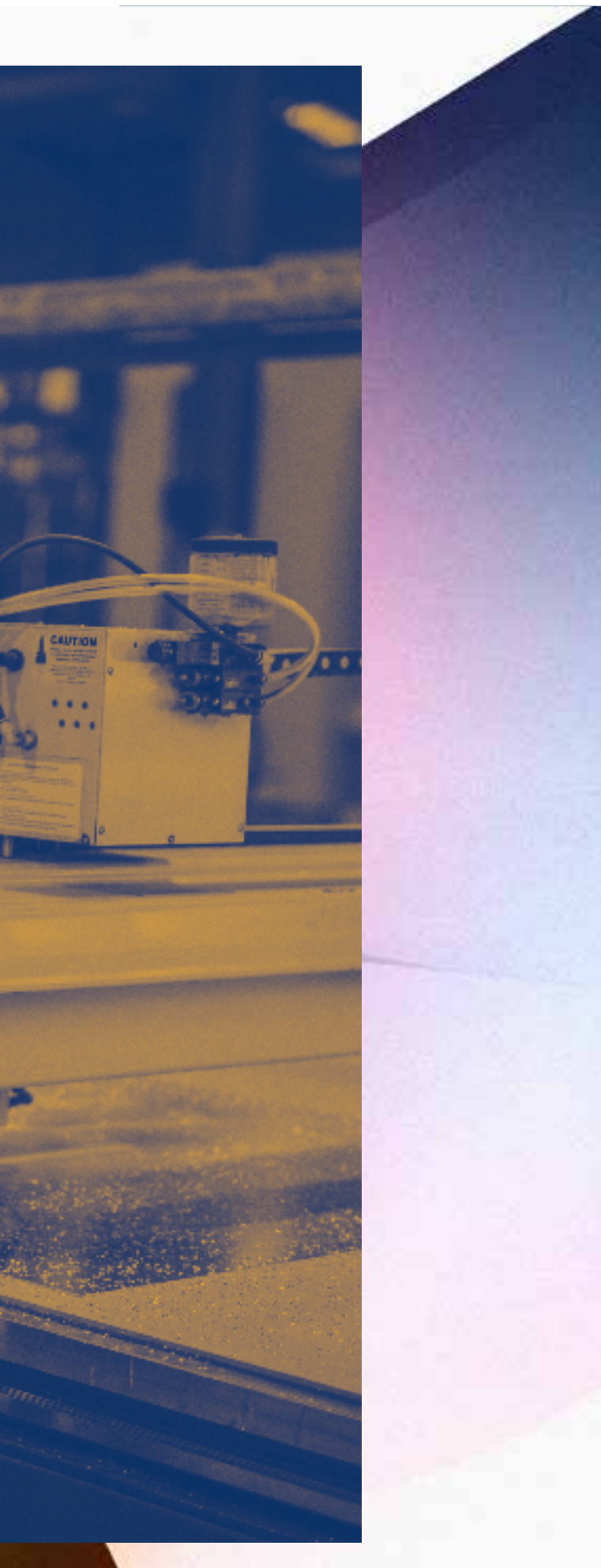
Supplier payables	2,023
Other payables	895
Total liabilities relinquished	2,918
Net assets relinquished	28,859

Administered

Other receivables	12
Net assets relinquished	12

On 6 December 2022 the *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022* received Royal Assent, abolishing the ABCC on 6 February 2023. On ceasing, all remaining assets and liabilities were transferred to the Office of the Fair Work Ombudsman (OFWO).





PART 6

Management and accountability

Workforce demographics

Workforce management

Governance

External scrutiny

Financial management

Workforce demographics

As at 30 June 2023, the OFWO employed 920 ongoing, 93 non-ongoing and 0 casual employees under the *Public Service Act 1999* (Public Service Act).

The size, location and makeup of our workforce is detailed below.

Table 27: Employees by classification, at 30 June 2023 and 30 June 2022

Classifications	2023	2022
APS 1 ongoing	0	0
APS1 non-ongoing	0	0
APS1 total	0	0
APS2 ongoing	1	2
APS2 non-ongoing	1	0
APS2 total	2	2
APS3 ongoing	65	68
APS3 non-ongoing	50	56
APS3 total	115	124
APS4 ongoing	103	105
APS4 non-ongoing	26	10
APS4 total	129	115
APS5 ongoing	298	301
APS5 non-ongoing	13	13
APS5 total	311	314
APS6 ongoing	230	209
APS6 non-ongoing	0	4
APS6 total	230	213
EL1 ongoing	149	135
EL1 non-ongoing	2	2
EL1 total	151	137
EL2 ongoing	58	59
EL2 non-ongoing	1	0
EL2 total	59	59
SES Band 1 ongoing	11	11
SES Band 1 non-ongoing	0	0
SES Band 1 total	11	11
SES Band 2 ongoing	5	4
SES Band 2 non-ongoing	0	0
SES Band 2 total	5	4
Total	1013	979

Table 28: Employees by employment status, at 30 June 2023 and 30 June 2022

Employment status	2023	2022
Ongoing full-time	715	677
Non-ongoing full-time	78	81
Total full-time	793	758
Ongoing part-time	205	217
Non-ongoing part-time	15	4
Total part-time	220	221

Table 29: Employees by gender, at 30 June 2023 and 30 June 2022*

Gender	2023	2022
Female ongoing	590	590
Female non-ongoing	53	51
Total female	643	641
Male ongoing	325	302
Male non-ongoing	40	30
Total male	365	332
X (Indeterminate/Intersex/Unspecified) ongoing	-	2
X (Indeterminate/Intersex/Unspecified) non-ongoing	-	4
X (Indeterminate/Intersex/Unspecified) total	-	6
Non-binary ongoing	5	-
Non-binary non-ongoing	0	-
Total non-binary	5	-
Prefers not to answer ongoing	0	-
Prefers not to answer non-ongoing	0	-
Total prefers not to answer	0	-
Uses a different term ongoing	0	-
Uses a different term non-ongoing	0	-
Total uses a different term	0	-

* gender descriptions in line with the Australian Bureau of Statistics' Standard for Sex, Gender, Variations of Sex Characteristics and Sexual Orientation Variables (2020) implemented for the 2022-23 reporting period.

Table 30: Employees by location, at 30 June 2023 and 30 June 2022

Location	2023	2022
ACT ongoing	57	55
ACT non-ongoing	3	3
ACT total	60	58
NSW ongoing	264	260
NSW non-ongoing	18	16
NSW total	282	276
NT ongoing	3	4
NT non-ongoing	0	0
NT total	3	4
Qld ongoing	122	118
Qld non-ongoing	30	8
Qld total	152	126
SA ongoing	94	82
SA non-ongoing	8	13
SA total	102	95
Tas ongoing	33	34
Tas non-ongoing	1	2
Tas total	34	36
Vic ongoing	288	296
Vic non-ongoing	20	23
Vic total	308	319
WA ongoing	59	54
WA non-ongoing	13	8
WA total	72	62

Table 31: Workplace diversity profile, at 30 June 2023 and 30 June 2022

Self-disclosure category	2023	2022
People with a disability	34	26
People from culturally and linguistically diverse background ongoing	259	256
People from culturally and linguistically diverse background non-ongoing	26	27
People from culturally and linguistically diverse background total	285	283
People from Aboriginal and Torres Strait Islander backgrounds ongoing	8	8
People from Aboriginal and Torres Strait Islander backgrounds non-ongoing	1	0
People from Aboriginal and Torres Strait Islander backgrounds total	9	8

Table 32: Senior executive and executive-level employees by classification and gender, at 30 June 2023 and 30 June 2022

Classification	2023 female	2022 female	2023 male	2022 male	2023 total	2022 total
EL1	103	91	48	46	151	137
EL2	33	36	26	23	59	59
SES Band 1	5	6	6	5	11	11
SES Band 2	3	2	2	2	5	4
Total	144	135	82	76	226	211

Workforce management

Capability development

During 2022–23, we maintained our commitment to enhancing workforce capability and supporting people to perform to their full potential. We are delivering a range of activities to continue to build and uplift skills across our Compliance and Enforcement Group as well as more broadly across the Agency.

Our 2022–23 capability development achievements included:

- ▶ implementing the Compliance and Enforcement Capability Framework and suite of supporting tools and resources
- ▶ providing e-learning and face-to-face training in key focus areas such as manager essentials, mental health first aid and core APS capabilities
- ▶ supporting staff to undertake formal and accredited courses through our study assistance scheme
- ▶ providing a continuing professional development program to maintain the technical knowledge and professional development of frontline and corporate staff
- ▶ offering all employees access to an online learning platform containing self-paced courses that have enabled employees to upskill while working flexibly.

The OFWO recognises that we must continue to invest in the specialist and technical capability of our workforce to make sure we are appropriately skilled and competent to deliver on our purpose. We are committed to investing in our people and recognise that retaining and attracting quality staff will enable continued success.

Employee engagement

In 2022–23, the OFWO achieved an engagement score of 75% in the 2023 Australian Public Service (APS) Employee Census, and results were overall very positive. Notably, 82% of respondents said they would recommend us as a good place to work (up 13 percentage points from the APS overall), 91% believe strongly in the purpose and objectives of the Agency, and 90% said they were happy to go the ‘extra mile’ at work. OFWO employees also scored significantly higher than the broader APS for all questions regarding wellbeing, with 2022 health and wellbeing index scores 5–11 percentage points higher than the APS. The OFWO will continue to use the APS Employee Census to guide our people activities and create an engaging and purpose-driven work environment.

Ethics and values

The APS Values, Code of Conduct and Employment Principles promote responsible public administration. They underpin our positive workplace culture – one that encourages and recognises high performance, strong leadership and inclusion.

Information on the APS Values, Code of Conduct and Employment Principles is available on our intranet. These are also included in induction training for new staff, mandatory training for existing staff and incorporated in employee performance plans. Furthermore, all new APS employees must complete the Integrity section in the APS learning module within 6 months of their engagement.

Diversity and inclusion

We value diversity and inclusion and the positive contribution employees from diverse backgrounds make.

In 2022–23, our commitment to an inclusive and flexible workplace continued through:

- ▶ continued promotion of flexible and hybrid work arrangements
- ▶ continued sponsorship of employee networks including our Proud! Network; Gender Equality Network; Aboriginal and Torres Strait Islander Peoples Network; and Disability Network
- ▶ developing and publishing Learn and Discover intranet pages for People with Disability, First Nations, LGBTIQA+ and CALD portfolios, consisting of online learning and development opportunities and various online videos and articles
- ▶ participating in the Australian Government Indigenous Apprenticeship Program
- ▶ developing and promoting Affirmative Measures – Indigenous Recruitment Toolkit
- ▶ continued implementation of our Reconciliation Action Plan (RAP), launched in December 2020 and started development of our new RAP 2023–2025
- ▶ offering Indigenous Cultural Awareness Training and Disability Confident Managers Training
- ▶ sustaining gender equality at executive levels, with 55% of EL2–SES level positions held by female staff as at 30 June 2023
- ▶ reviewing and continued promotion of our Gender Affirmation Guide to provide information about gender identity and affirmation in the workplace, including practical ways to support an inclusive and respectful workplace
- ▶ successful re-accreditation by the Australian Breastfeeding Association as a Best Practice Breastfeeding Friendly Workplace
- ▶ enhancing awareness of and support for employees experiencing family and domestic violence, including by providing enhanced leave provisions, increasing the number of trained Family and Domestic Violence Contact Officers, and providing dedicated internal resources
- ▶ maintaining and promoting a register of multilingual staff willing to assist customers from diverse backgrounds
- ▶ participating in the Stepping into Intern program with the Australian Network on Disability (AND).

Disability reporting

Australia's Disability Strategy 2021–31 (the Strategy) is the overarching framework for inclusive policies and programs. All levels of government have committed to deliver more comprehensive and visible reporting under the Strategy. A range of reports on progress of the Strategy's actions and outcome areas will be published and available on the Disability Gateway website www.disabilitygateway.gov.au/ads.

Disability reporting is included in the Australian Public Service Commission (APSC)'s State of the Service reports and the APS Statistical Bulletin, available on the APSC website www.apsc.gov.au.

In support of the Strategy, the OFWO has sought to create an accessible and inclusive workplace for new and existing employees through various initiatives.

Our recruitment processes seek to expand entry pathways and remove barriers in recruitment methods by communicating the availability of adjustments and flexible work practices. The disability affirmative measure lets agencies identify a vacancy as open only to people with disability. RecruitAbility is a scheme which aims to attract and develop applicants with disability participating in open selection processes. The OFWO is developing guidance to support hiring managers in using affirmative measures and RecruitAbility in their recruitment and selection activities.

Remuneration and employment conditions

The OFWO Enterprise Agreement 2019–2022 covers APS1–EL2 employees (including ROC staff, employed by the OFWO to assist the Registered Organisations Commissioner, up until 6 March 2023) and provides access to a range of leave, flexible working arrangements, allowances and other benefits. Employee salaries are outlined in the Public Service (Section 24(1) – Fair Work Ombudsman (Non-SES Employees) Determination 2022/01. It also provides for an Agency Consultative Forum that facilitates staff consultation on workplace matters.

Table 33: Employee workplace agreements, common law contracts, and individual flexibility agreements by classifications, at 30 June 2023 and 30 June 2022

Classification	2023 Enterprise agreement	2022 Enterprise agreement	2023 Common law contract	2022 Common law contract	2023 Individual flexibility agreement	2022 Individual flexibility agreement	2023 total	2022 total
APS1	0	0	0	0	0	0	0	0
APS2	2	2	0	0	0	0	2	2
APS3	115	124	0	0	0	0	115	124
APS4	129	115	0	0	0	0	129	115
APS5	311	314	0	0	0	0	311	314
APS6	229	212	0	0	1	1	230	213
EL1	149	136	0	0	2	1	151	137
EL2	52	49	0	0	7	10	59	59
SES Band 1	0	0	11	11	0	0	11	11
SES Band 2	0	0	5	4	0	0	5	4
Total	987	952	16	15	10	12	1013	979

Table 34: Salary ranges by classification level, at 30 June 2023

Classification	
APS1	\$0
APS2	\$67,520
APS3	\$69,365–\$74,767
APS4	\$77,180–\$83,715
APS5	\$85,987–\$91,102
APS6	\$93,090–\$107,015
EL1	\$118,379–\$130,375
EL2	\$136,421–\$189,108
SES Band 1	\$215,000–\$260,946
SES Band 2	\$275,010–\$295,921

The Agency also provides a number of non-salary benefits to some staff, which might include:

- ▶ professional membership fees
- ▶ parking allocation at work
- ▶ airline lounge membership.

Executive remuneration reporting

During the reporting period ended 30 June 2023 the Entity had 7 executives who meet the definition of key management personnel (KMP). Their names and length of term as KMP are summarised below.

Table 35 also accounts for the reporting of KMP for the ROC, for whom the Fair Work Ombudsman remained the accountable authority up until 6 March 2023.

Staff acting in SES or other highly paid positions for a total period of less than 3 months are not included in the OFWO executive remuneration disclosure.

Table 35: Name, position and length of term of KMP

Name	Position	Term as KMP
Sandra Parker	Fair Work Ombudsman	Full term
Michael Campbell	Chief Operating Officer	Full term
Rachel Volzke	Chief Counsel/ Deputy FWO, Large Corporates and Industrial Compliance	Full term
Mark Scully	Deputy FWO, Compliance and Enforcement	Full term
Kristen Hannah	Deputy FWO, Policy and Communications	Full term
Michelle Carey	Deputy FWO, Large Corporates and Industrial Compliance	7 November 2022–21 January 2023 7 April 2023– 30 June 2023
Mark Bielecki	Registered Organisations Commissioner	1 July 2022– 6 March 2023

The remuneration and other benefits for the positions of Fair Work Ombudsman and the Registered Organisations Commissioner are set by the Remuneration Tribunal. All other KMP are remunerated through common law contracts.

In the notes to the financial statements for the period ending 30 June 2023, the Entity disclosed the following KMP remuneration expenses.

Table 36: KMP remuneration expenses

Expenses	2023 \$'000
Short-term employee benefits	1,992
Post-employment benefits	312
Other long-term employee benefits	93
Termination benefits	139
Total key management personnel remuneration expenses	2,536

In accordance with the *Performance and Accountability Act 2013* (PGPA Act) rule, this information is further disaggregated as shown in Table 37.

During the reporting period ending on 30 June 2023, the Agency had 15 other senior executives who did not meet the definition of a KMP.

The remuneration of these senior executives is disclosed in remuneration bands in Table 38. Remuneration within each band is calculated as an average.

The average amounts for the relevant category are based on the number of senior executives within the relevant band, not the full-time equivalent.

Table 37: Disaggregated KMP remuneration expenses

Name	Position title	Short term benefits			Post employment benefits	Other long term benefits		Termination benefits	Total remuneration
		Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long term benefits		
Sandra Parker	Fair Work Ombudsman	\$343,016	-	-	\$71,459	\$20,748	-	-	\$435,223
Michael Campbell	Chief Operating Officer	\$291,586	-	\$33,961	\$54,220	\$12,454	-	-	\$392,222
Rachel Volzke	Chief Counsel	\$304,375	-	\$33,854	\$49,573	\$22,214	-	-	\$410,016
Mark Scully	Deputy Fair Work Ombudsman, Compliance and Enforcement	\$253,142	-	\$33,854	\$48,860	\$11,016	-	-	\$346,872
Kristen Hannah	Deputy Fair Work Ombudsman, Policy and Communications	\$292,520	-	\$33,854	\$51,438	\$10,271	-	-	\$388,083
Michelle Carey	Deputy Fair Work Ombudsman, Large Corporates and Industrial Compliance	\$81,826	-	\$8,497	\$11,795	\$9,865	-	-	\$111,982
Mark Bielecki	Registered Organisation Commissioner	\$249,174	-	\$32,597	\$24,844	\$6,008	-	\$138,923	\$451,546
Total		\$1,815,638	-	\$176,616	\$312,190	\$92,576	-	\$138,923	\$2,535,943

Table 38: Remuneration of senior executives who don't meet the definition of KMP

Total remuneration bands	Number of senior executives	Short term benefits			Post employment benefits	Other long term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long term benefits	Average termination benefits	Average total remuneration
\$0- \$220,000	2	\$97,637.69	-	\$12,757.57	\$15,390.93	\$3,022.20	-	-	\$128,808.38
\$220,001- \$245,000	1	\$168,993.06	-	\$24,050.88	\$28,739.03	\$6,153.06	-	-	\$227,936.03
\$245,001- \$270,000	4	\$185,907.92	-	\$28,901.43	\$35,923.93	\$12,064.40	-	-	\$262,797.68
\$270,001- \$295,000	0	-	-	-	-	-	-	-	-
\$295,001- \$320,000	4	\$219,293.45	-	\$32,057.21	\$40,996.80	\$7,595.11	-	-	\$299,942.56
\$320,001- \$345,000	1	\$248,867.11	-	\$31,803.43	\$45,859.20	\$10,407.77	-	-	\$336,937.51
\$345,001- \$370,000	3	\$257,501.25	-	\$31,939.03	\$44,525.50	\$13,948.85	-	-	\$347,914.63

Work health and safety

The OFWO continues to focus on supporting and developing employee psychological and physical wellbeing, emphasising prevention, early intervention, and rehabilitation and injury management.

Key 2022–23 health and safety initiatives included:

- ▶ regular review of health and safety related policies, guides and fact sheets
- ▶ maintaining a Health and Safety Committee, who advise and consult with the broader Agency on workplace health and safety policy-related matters, review trends in claim and incident data, and contribute to workplace health and safety initiatives
- ▶ a network of Health and Safety Representatives who represent other OFWO employees in relation to health and safety matters at work
- ▶ provision of WHS training and information, including targeted communications to assist managers to meet their WHS obligations
- ▶ provision of workplace sexual harassment seminars for senior executives, continued provision of workplace sexual harassment workshops for managers, and mandatory online training in understanding workplace sexual harassment for all staff and contractors
- ▶ recognition of RUOK? Day and Suicide Prevention Day to support mental health in the workplace
- ▶ providing Compassionate Foundations (suicide prevention) training to staff holding identified WHS related roles
- ▶ an influenza vaccination program
- ▶ workstation assessments (office and home) to promote good ergonomic practices and prevent body stressing injuries
- ▶ access to services through our employee assistance provider. Specialist and confidential support can be provided for a range of personal issues for individuals and work issues for people leaders
- ▶ expansion of the Harassment and Discrimination Contact Officer network and additional training.

We continue to evolve our response to COVID-19, as we move beyond the emergency phase of the pandemic to treating COVID-19 as an endemic health risk. Work health and safety initiatives taken in response to COVID-19, include:

- ▶ undertaking and regularly reviewing an assessment of work health and safety risks in accordance with Safe Work Australia and public health advice to ensure our workplaces are COVID-safe
- ▶ implementing additional measures to actively control against the transmission of COVID-19 in the workplace, including enhanced cleaning protocols, and requiring staff to stay at home if unwell
- ▶ developing and implementing a process to manage confirmed cases of COVID-19 in the workplace
- ▶ supporting employees to receive COVID-19 vaccinations.

During 2022–23, there were 2 new employee compensation claims accepted. The Agency's initiatives and commitment to early intervention, rehabilitation, return to work principles and ongoing education continue to provide a safe workplace for our employees.

Work health and safety incident reporting

Under section 38 of the *Work Health and Safety Act 2011* (WHS Act), we are required to notify Comcare of any deaths, serious injury or illness, or dangerous incidents arising from our work. There were no notifiable incidents reported to Comcare in 2022–23.

Under Schedule 2, Part 3 of the WHS Act, we are required to report on any investigations undertaken by Comcare or any notices we received under Part 10 of the WHS Act. There were no investigations conducted or notices received during 2022–23.

Property and environment management

We continue to look at ways we can improve the ongoing management of energy efficient office buildings, equipment and appliances. In 2022–23 the Agency worked with our building managers to reduce waste, energy, water consumption and greenhouse gas emissions, which included:

- ▶ fitting out offices with sensor lighting
- ▶ reducing the need for lighting when spaces are not occupied
- ▶ providing organic matter and recycling bins in addition to general waste kitchen bins, and
- ▶ participating in disposable coffee cup and coffee pod recycling in selected offices.

The OFWO continues to participate in Earth Hour, which involved turning off all non-essential lighting in our tenancies.

Staff use print-on-demand, and the Agency sets the default printing properties to duplex and black and white, and we encourage the use of recycled paper as the first choice when purchasing copy paper. Document destruction is scheduled, and we recycle cardboard/paper and participate in programs to recycle toner cartridges and mobile phones to reduce our environmental footprint. The Agency continues to look at ways to replace paper-based processes with digital solutions.

APS Net Zero 2030 emissions reporting

APS Net Zero 2030 is the Government's policy for the APS to reduce its greenhouse gas emissions to net zero by 2030, and report transparently on its emissions. As part of this, non-corporate and corporate Commonwealth entities are required to report on their operational greenhouse gas emissions.

The Greenhouse Gas Emissions Inventory presents greenhouse gas emissions over the 2022–23 period. Results are presented on the basis of Carbon Dioxide Equivalent (CO₂-e) emissions. Greenhouse gas emissions reporting has been developed with methodology that is consistent with the whole-of-Australian Government approach as part of the APS Net Zero 2030 policy. Not all data sources were available at the time of the report and adjustments to baseline data may be required in future reports.

The Agency maintained a total of 25 hybrid fleet vehicles in 2022–23, which assisted with reducing greenhouse emissions.

Agency staff are encouraged to use video conferencing facilities and technology as a sustainable alternative to travel.

Table 40 provides the emissions data covering electricity, fleet, and domestic travel. Greenhouse gas emissions reporting has been developed with methodology that is consistent with the whole-of-Australian Government approach as part of the APS Net Zero Emissions by 2030 policy.

Table 39: APS Net Zero 2030 policy reporting

Reporting year	Portfolio	Entity Name
2022–2023	Employment and Workplace Relations	Office of the Fair Work Ombudsman

The electricity emissions reported in Table 40 are calculated using the location-based approach.

Table 40: Greenhouse Gas Emissions Inventory (location-based approach)*

Emission source	Scope 1 kg CO2-e	Scope 2 kg CO2-e	Scope 3 kg CO2-e	Total kg CO2-3
Electricity (location-based approach)	N/A	580,000	66,486	646,486
Natural gas		N/A	-	-
Fleet vehicles	7,300	N/A	1,857	9,157
Domestic flights	N/A	N/A	308,678	308,678
Other energy	-	N/A	-	-
Total kg CO2-e	7,300	580,000	377,021	964,322

* Data is inclusive of ABCC travel, leased offices and vehicles

When applying the market-based method, which accounts for activities such as greenpower, purchased large-scale generation certificates (LGCs) and/or being located in the ACT, the total emissions for electricity, are shown in Table 41.

Table 41: Greenhouse Gas Emissions Inventory (market-based method)*

Emission source	Scope 1 kg CO2-e	Scope 2 kg CO2-e	Scope 3 kg CO2-e	Total kg CO2-3
Electricity (market-based approach)	N/A	578,132	76,517	654,650
Natural gas	-	N/A	-	-
Fleet vehicles	7,300	N/A	1,857	9,157
Domestic flights	N/A	N/A	308,678	308,678
Other energy	-	N/A	-	-
Total kg CO2-e	7,300	578,132	387,053	972,485

* Data is inclusive of ABCC travel, leased offices and vehicles

Governance

The OFWO is committed to good governance, recognising that we must actively engage with risk to achieve our Purpose. We have established a series of boards and committees that lead and support us in this endeavour.

Corporate Board

The Corporate Board is the key advisory body for the Fair Work Ombudsman in discharging the accountable authority's duties, responsibilities and accountabilities under the PGPA Act and other Commonwealth legislation and Government policies.

The Corporate Board is chaired by the Fair Work Ombudsman and consists of the SES Band 2 Officers from each Group.

The Corporate Board is also supported by a series of sub-committees:

- ▶ The **Accountability Sub-Committee** has oversight of and makes recommendations for approval of strategic decisions with respect to corporate matters and financial performance, compliance with the PGPA Act and framework and Government policies.
- ▶ The **Business Investment Sub-Committee** has oversight of and makes recommendations for approval of information and communications technology-related matters and projects.
- ▶ The **Critical Technology Projects Board** monitors critical technology projects and ensures the agreed business outcomes are delivered, reporting to the Corporate Board and escalating matters directly to the accountable authority when required.

Enforcement Board

The enforcement Board is the key advisory body for the Fair Work Ombudsman ensuring a risk-based and proportionate response with respect to the accountable authority's statutory powers and functions under the *Fair Work Act 2009* (FW Act).

Enforcement Board advises and informs the OFWO's regulatory priorities, the publicly available Compliance and Enforcement Policy and establishes and monitors the Agency's annual compliance and enforcement program of work. It also ensures that research, education and other activities align with these.

The Fair Work Ombudsman chairs Enforcement Board and membership includes the Deputy Fair Work Ombudsmans (DFWOs) from the Compliance and Enforcement Group, the Policy and Communications Group, and the Large Corporates and Industrial Compliance Group.

Senior Executive Staff Forum

Senior executives meet on a quarterly basis to discuss key strategic issues such as Agency planning, professional development and other Entity-wide initiatives. Senior representatives from the OFWO and the ROC also met regularly pursuant to a memorandum of understanding (MOU). These regular meetings with the OFWO and ROC ceased following the transfer of the ROC's functions to the General Manager of the FWC from 6 March 2023.

Audit and Risk Committee

The Audit and Risk Committee provides independent advice to the Fair Work Ombudsman as the accountable authority on the OFWO's financial and performance reporting, risk management framework, internal control systems and policy compliance.

The Audit and Risk Committee's Charter sets out the role of the Committee and can be found on our website (fairwork.gov.au). In 2022–23, the Audit and

Risk Committee comprised 4 independent members, 3 independent of government and one senior government official. During the financial year the committee met 5 times.

Details of the Audit and Risk Committee's membership in 2022–23 including remuneration and the experience and qualifications of members are provided in Table 42.

Table 42: Membership details of the Audit and Risk Committee

Member name	Qualifications, knowledge, skills or experience (include formal and informal as relevant)	Number of meetings attended / Total number of meetings held	Total annual remuneration (GST inc.)
Jeff Lamond PSM Independent Member and Chair	Formal economics and accounting qualifications, graduate qualification in legal studies. Substantial experience (7 years) as CEO of small company. 34 years public service employment (13 years at SES including Band 1 and Band 2, and 6.5 as a statutory office holder – APS Merit Protection Commissioner). Managed own consultancy since 2008 covering employment, values and ethics and personnel policy. For 10 years served as Internal Ombudsman in 2 agencies addressing personnel, entitlements, and management issues. Substantial committee experience, having chaired or sat as independent member on 7 Audit and Risk Committees for a range of Australian Government agencies.	5/5	\$26,088.75*
Jennifer Taylor PSM Independent Member	Formal management qualifications. Substantial experience as CEO of the Statutory Agency Comcare and various Deputy Secretary positions with Australian Government Departments. Experience in public sector operating environment including sound understanding of all legislative, regulatory and policy requirements and financial statements review. Extensive committee experience as chair or member. Experience as Chair of the Ethics Committee, Australian Institute of Health and Welfare (AIHW). Graduate of the Australian Institute of Company Directors.	5/5	\$14,000.00**
Maria Storti	A former EY partner with extensive experience in audit, systems of control, risk management and performance measurement and improvement. Held senior executive roles across the public, private and tertiary education sectors, and is Fellow of the Chartered Accountants ANZ, a Fellow of the Australian Institute of Company Directors and a member of the Australian Institute of Internal Auditors and has a Master of Business Administration and a degree in economics. Extensive experience as chair and member of boards and audit committees across a range of government and not-for-profit entities.	5/5	\$15,141.50***
Glen Casson Chief Financial Officer, Department of Veterans' Affairs	Formal engineering qualifications. Extensive experience as a CFO within the Australian Government and more than 22 years in the Australian Public Service across a range of IT, audit and finance roles.	4/5	\$0

*Includes payment for two meetings conducted in the previous financial year (2021–22), payments for meetings conducted this financial year (2022–23) equate to \$18,168.75.

**Includes payment for one meeting conducted in the previous financial year (2021–22), payments for meetings conducted this financial year (2022–23) equate to \$11,500.

***Includes payment for one meeting conducted in the previous financial year (2021–22), payments for meetings conducted this financial year (2022–23) equate to \$13,838.

Health and Safety Committee

The Health and Safety Committee advises the OFWO and its Corporate Board on WHS, and reviews and provides recommendations for WHS matters, including the implementation of relevant legislation and policy, preventative initiatives and reporting on WHS incidents.

Business planning

The Corporate Plan is the key planning document for the OFWO and outlines the Agency's purpose, functions, priorities, key activities and performance measures. The Corporate Plan is submitted to the Department of Finance and Portfolio Minister annually and is made available to external stakeholders via our website.

Internal business plans provide a link between the OFWO's purpose, the Corporate Plan and our operating performance. Business plans are updated annually to reflect changes in our priorities and/or operating environment, and performance against these plans is monitored by the Corporate Board and senior management.

Business continuity

Our Business Continuity Management (BCM) Framework provides a systematic and responsive approach to disruptive events, positioning the Entity to recover quickly and ensure continuity of services and delivery of functions.

The BCM Framework defines the roles and responsibilities of personnel in the event of an incident and provides standards and procedures to ensure effective operations can continue. The BCM Framework is supported by the BCM Policy, Business Continuity Plans, a Business Continuity Response Team and a Crisis Action Team.

Risk and countering fraud

A Risk Management Framework facilitates the identification, management and monitoring of risks across operational and corporate areas and informs the internal audit plan. The Corporate Board oversees the strategic risk register, with owners assigned to risks, and controls and treatments identified.

Following consultation, an internal audit plan was developed that targets identified risk areas. The Audit and Risk Committee monitors the plan and risk reporting.

Fraud controls and investigations

Our fraud control plan and risk assessment enables us to manage and monitor identified fraud risks through prevention, detection, reporting and response initiatives. All reasonable measures were taken to minimise fraud risk and to take action regarding possible fraud against the OFWO and the ROC.

External scrutiny

We value feedback from our customers about their experience with us, and in addition to actively seeking feedback through our performance measures surveys, we encourage our customers to provide feedback via the online feedback form. Our Feedback and Complaints Management Policy outlines how our customers can:

- ▶ provide feedback about our services
- ▶ lodge a service complaint about their experience
- ▶ request a review of their matter.

Overall, in the 2022–23 financial year the OFWO received a total of 652 instances of feedback, service complaints and requests for review. This included 55 instances from customers highlighting their positive experience with the OFWO.

In terms of our interactions with the community, feedback and complaints comprise of a relatively small proportion of our total interactions; however, they importantly provide valuable insights that support business improvements and an opportunity to further enhance our service offerings.

Table 43: OFWO constructive feedback, service complaints and requests for review received and finalised

	2022–23	2021–22
Received	597	580
Finalised	585	573

The ROC actively sought feedback about its services and practices. The ROC also encouraged participants in ROC education activities to complete evaluation forms and feedback surveys.

The ROC provided a formal complaint handling process for complaints about its staff and administrative processes, which was published on the ROC website.

The ROC did not receive any formal complaints about its staff or administrative processes during the reporting period.

Reports to the Commonwealth Ombudsman

In 2022–23 the OFWO was not subject to any formal Commonwealth Ombudsman investigations.

The Commonwealth Ombudsman, under section 712F(6) of the Act, presents a quarterly report to Parliament about examinations conducted by the OFWO.

These reports are accessible on the Commonwealth Ombudsman website (www.ombudsman.gov.au/publications-resources-and-faqs).

Table 44: Commonwealth Ombudsman investigations and findings

	2022–23	2021–22
Commonwealth Ombudsman investigations	0	0
Adverse findings	0	0

In 2022–23, no formal reviews were conducted in relation to the ROC’s operations.

There were no reports by the Auditor-General, the Australian National Audit Office or a parliamentary committee in relation to the ROC’s operations.

Freedom of Information (FOI)

Entities subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements.

Further information about the IPS is available at the Office of the Australian Information Commissioner website (www.oaic.gov.au/freedom-of-information/freedom-of-information-guidance-for-government-agencies/proactive-publication-and-administrative-access/information-publication-scheme).

FOI requests to OFWO

The OFWO received 56 requests for information under the FOI Act in 2022–23. Compared with 65 requests received in 2021–22. The OFWO's disclosure log is available on our website (fairwork.gov.au). We continue to facilitate information access through our Information Access Policy, also available on our website, which reduced the need for applicants to make formal FOI requests.

FOI request to ROC

The ROC received 2 FOI requests for information under the FOI Act in 2022–23. The data is for the period up to 3 March 2023. This compared with 2 requests for information under the FOI Act in 2021–22.

The ROC's disclosure log prior to 6 March 2023 can be accessed through Trove (webarchive.nla.gov.au/collection).

Following the commencement of the relevant *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022* (SJBPA Act) amendments on 6 March 2023 the ROC's functions transferred to the General Manager of the Fair Work Commission. Information regarding FOI requests are now published on the Fair Work Commission's website (www.fwc.gov.au).

Information Publication Scheme

We are required to publish information to the community as part of the FOI Act Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act. Each Agency must display a plan on its website showing what information it publishes in accordance with IPS requirements. The OFWO's plan can be found on the OFWO's website (www.fairwork.gov.au).

Following the commencement of the relevant SJBPA Act amendments on 6 March 2023 the ROC's function transferred to the General Manager of the Fair Work Commission. Information regarding FOI requests are now published on the Fair Work Commission's website ([fwc.gov.au](https://www.fwc.gov.au)). Access to information relating to the ROC's IPS prior the commencement of the SJBPA Act amendments on 6 March 2023 can be found on Trove (webarchive.nla.gov.au/collection).

Privacy

We are committed to protecting the privacy of individuals who provide us with their personal information and ensuring staff know what to do in the event of a suspected privacy breach.

In the 2022-23 reporting period the OFWO:

- ▶ completed 9 Privacy Impact Assessments (PIAs) for new projects and processes. This compared with 8 PIAs in 2021–22
- ▶ reported 3 eligible data breaches to the Office of the Australian Information Commissioner (OAIC), under the Notifiable Data Breach Scheme. This compared with 2 eligible data breaches in 2021–22

On 8 May 2023, national law firm HWL Ebsworth reported a cyber incident involving a data breach and possible unauthorised disclosure of personal information to the dark web.

Documents relating to a limited number of OFWO files were included in the breach experienced by HWL Ebsworth. The OFWO privacy policy has been reviewed and amended to take into consideration administrative, legislative or program change. (For example, the introduction of the SJBPA Act and updates on how the OFWO uses social media and the OFWO's retention period on personal information). Further information is available at fairwork.gov.au/newsroom/news/hwl-ebsworth-cyber-incident

The OFWO is committed to providing privacy awareness training sessions to enable the OFWO to comply with its privacy obligations and implement a privacy program based on best practice.

The ROC did not report any privacy or data breaches to the OAIC during the financial year consistent with the 2021–22 financial year. Access to information relating to the ROC's Privacy Policies and PIAs prior to the commencement of the SJBPA Act on 6 March 2023 can be found on Trove (webarchive.nla.gov.au/collection).

Judicial decisions or administrative reviews

There have been no judicial decisions, or decisions of the Administrative Appeals Tribunal or the Australian Information Commissioner that have had a significant effect on the operations of the OFWO in 2022–23.

The ROC did not receive any judicial decisions or administrative reviews that had a significant effect on its operations during the reporting period up to 6 March 2023.

Financial management

We continue to maintain a strong focus on financial management, ensuring resources are utilised in the most efficient and effective manner to deliver the greatest benefit and impact for the Australian community.

Procurement

Performance assessment against the Commonwealth procurement rules

Our approach to procuring goods and services, including consultancies, is consistent with the Commonwealth Procurement Rules. These rules are applied to activities through the OFWO's accountable authority instructions, supporting operational guidance and procurement framework. Information on significant procurements expected to be undertaken in 2023–24 is in our annual procurement plan, available on the AusTender website (www.tenders.gov.au).

Purchaser-provider arrangements

During 2022–23, we continued the purchase of IT Services and other administrative functions on a fee-for-service basis under a longstanding MOU with the Department of Employment and Workplace Relations (DEWR). The management of enterprise resource planning services (such as the accounts payable function) are bought under a MOU with the Service Delivery Office (SDO) within the Department of Finance. Other major purchases are made using whole-of-Government panel arrangements.

Procurement initiatives to support small to medium enterprises (SME)

We support small business participation in the Commonwealth Government procurement market by:

- ▶ reducing tendering burden through the use of the Commonwealth Contracting Suite.
- ▶ complying with the Government's Supplier Pay On-Time or Pay Interest Policy by:
 - adhering to the 20-day (or less) payment policy
 - using credit cards for purchases valued below \$10,000.

SMEs and small enterprise participation statistics are available on the Department of Finance's Statistics on Australian Government Procurement Contracts webpage (www.finance.gov.au/government/procurement/statistics-australian-government-procurement-contracts-).

Procurement to support Indigenous enterprises

Our Procurement Policy and procurement templates contain requirements for officials to adhere to the Commonwealth Indigenous Procurement Policy. In 2022–23, 15 contracts were awarded to Indigenous suppliers, totaling \$457,134 (GST inclusive).

Reportable consultancy contracts

We engage consultants if we need specialist expertise or independent research, reviews or assessments to support our decision-making. Providers are selected through open tender, limited tender or via an established panel arrangement.

The decision to engage a consultant is made in accordance with the PGPA Act and related regulations, including the Commonwealth Procurement Framework and internal policies.

During 2022–23, 7 new reportable consultancy contracts were entered into, incurring an expenditure of \$580,802 (including GST). In addition, 4 ongoing consultancy contracts were active during the period, incurring expenditure of \$208,441 (including GST). The total expenditure in 2022–23 on consultancy contracts was \$789,243 (including GST).

Information on the value of reportable consultancy contracts is available on the AusTender website (www.tenders.gov.au).

Table 45: Consultancy contract expenditure

	Number	Expenditure \$'000 (GST inc.)
New contracts entered into during the reporting period	7	581
Ongoing contracts entered into during a previous reporting period	4	208
Total	11	789

Table 46: Top 5 consultancy contract expenditure by organisation

Name of organisation	ABN	Expenditure \$'000 (GST inc.)
Bendelta Pty Ltd	58 105 151 326	217
Gartner Australasia Pty Limited	69 003 708 601	196
Interaction Consulting Group	82 064 623 543	49
McGrathNicol Advisory Partnership	34 824 776 937	162
Tailored HR Solutions	55 625 831 706	54
Total		678

Reportable non-consultancy contracts

During 2022–23, 255 new reportable non-consultancy contracts were entered into, incurring total expenditure of \$15,917,910 (including GST). In addition, 335 ongoing non-consultancy contracts were active during the period, incurring total expenditure of \$44,891,487 (including GST). The total expenditure on non-consultancy contracts in 2022–23 was \$60,809,397 (including GST).

Information on the value of reportable non-consultancy contracts is available on the AusTender website (www.tenders.gov.au).

Table 47: Non-consultancy contract expenditure

	Number	Expenditure \$'000 (GST inc.)
New contracts entered into during the reporting period	255	15,918
Ongoing contracts entered into during a previous reporting period	335	44,891
Total	590	60,809

Table 48: Top 5 non-consultancy contract expenditure by organisation

Name of organisation	ABN	Expenditure \$'000 (GST inc.)
DEWR	96 584 957 427	10,113
ITSM Hub Pty Ltd	89 165 912 087	5,888
Microsoft Pty Ltd	71 203 501 304	4,954
Telstra	33 051 775 556	3,651
Department of Finance	61 970 632 495	2,555
Total		27,161

Exempt contracts

There were no requests for exemption or exemptions given from publishing a contract on AusTender.

Australian National Audit Office clauses

All our contracts valued at \$100,000 (including GST) and above include provision for the Auditor-General to access the contractor's premises.

Grants

The Entity continued to administer the Community Engagement Grants Program (CEGP) during the 2022–23 financial year. The CEGP provides funding to organisations undertaking activities, projects and programs that provide professional advice, information or assistance to people about Australian workplace laws.

Information on grants awarded by the OFWO under the CEGP is available on the OFWO website (www.fairwork.gov.au) and Grant connect website (help.grants.gov.au).

Further information on grants administration is available from the Grants Policy Team, Department of Finance, at grants@finance.gov.au

Advertising and market research

Payments made to advertising organisations in 2022–23 totalled \$741,486.06. Amounts paid to organisations that were less than \$13,800 have not been included, consistent with the *Commonwealth Electoral Act 1918*.

No advertising campaigns for which expenditure was greater than \$250,000 were undertaken in 2022–23.

No market research activities were undertaken.

List of advertising campaigns undertaken:

- ▶ Annual Wage Review
- ▶ Fast Food, Restaurants and Cafes Sector Annualised Salaries Guide
- ▶ Compliance Notices Online Learning Course
- ▶ Agriculture Industry
- ▶ Young Workers
- ▶ Paid Family and Domestic Violence Leave
- ▶ Secure Jobs, Better Pay Changes
- ▶ International Students
- ▶ Contract Cleaning Industry
- ▶ Fair Work Facts
- ▶ Email Subscription
- ▶ Always On.

Further information on those advertising campaigns contracts is available on the AusTender website (www.tenders.gov.au).

The Campaign Advertising by Australian Government Departments and Agencies report, prepared by the Department of Finance, provides details of campaigns where expenditure was greater than \$250,000 (including GST).





PART 7

Office of the Fair Work Ombudsman financial statements

Independent auditor's report

Statement by the Accountable Authority
and Chief Financial Officer

Primary financial statements and notes



INDEPENDENT AUDITOR'S REPORT

To the Minister for Employment and Workplace Relations

Opinion

In my opinion, the financial statements of the Office of the Fair Work Ombudsman (the Entity) for the year ended 30 June 2023:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2023 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2023 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to and Forming Part of the Financial Statements, comprising an Overview and summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Fair Work Ombudsman is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Fair Work Ombudsman is also responsible for such internal control as the Fair Work Ombudsman determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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Phone (02) 6203 7300

In preparing the financial statements, the Fair Work Ombudsman is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Fair Work Ombudsman is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Rita Bhana

Audit Principal

Delegate of the Auditor-General

Canberra

12 September 2023

Statement by the Accountable Authority and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2023 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Office of the Fair Work Ombudsman will be able to pay its debts as and when they fall due.



Anna Booth
Accountable Authority

12 September 2023



Rico Zhang
Chief Financial Officer

12 September 2023

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Statement of Comprehensive Income

for the period ended 30 June 2023

		2023	2022	Original Budget ¹
	Notes	\$'000	\$'000	2023 \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	115,468	101,260	110,121
Suppliers	1.1B	50,148	54,213	41,839
Grants		1,756	2,761	1,784
Depreciation and amortisation	3.2A	16,781	15,089	16,602
Finance costs		298	280	408
Other		37	-	-
Total expenses		184,488	173,603	170,754
Own-source income				
Own-source revenue				
Rental income		271	463	450
Other income	1.2A	835	816	950
Total own-source revenue		1,106	1,279	1,400
Total own-source income		1,106	1,279	1,400
Net cost of services		(183,382)	(172,324)	(169,354)
Revenue from Government	1.2B	178,498	165,738	162,016
Deficit on continuing operations		(4,884)	(6,586)	(7,338)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation surplus		-	-	-
Total other comprehensive income		-	-	-
Total comprehensive loss attributable to the Australian Government		(4,884)	(6,586)	(7,338)

The above statement should be read in conjunction with the accompanying notes.

1. The Office of the Fair Work Ombudsman's (OFWO) original budget reflects the figures presented in the 2022–23 October Portfolio Budget Statements (PBS). The budgeted financial statements have not been audited.

Statement of Financial Position

as at 30 June 2023

		2023	2022 ¹	Original Budget ²
	Notes	\$'000	\$'000	2023 \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	3.1A	482	2,642	450
Trade and other receivables	3.1B	108,281	67,107	67,299
Total financial assets		108,763	69,749	67,749
Non-financial assets				
Right-of-use assets	3.2	19,953	26,130	20,101
Land and buildings (leasehold improvements)	3.2	7,500	10,208	11,754
Property, plant and equipment	3.2	1,064	1,884	1,241
Intangibles	3.2	35,180	24,306	26,912
Prepayments		2,058	1,840	1,840
Total non-financial assets		65,755	64,368	61,848
Total assets		174,518	134,117	129,597
LIABILITIES				
Payables				
Suppliers	3.3A	11,887	8,006	8,006
Other payables	3.3B	3,138	2,372	2,372
Total payables		15,025	10,378	10,378
Interest bearing liabilities				
Leases	3.4	21,913	28,472	21,728
Total interest-bearing liabilities		21,913	28,472	21,728
Provisions				
Employee provisions	6.1	29,597	29,151	29,151
Total provisions		29,597	29,151	29,151
Total liabilities		66,535	68,001	61,257
Net assets		107,983	66,116	68,340
EQUITY				
Contributed equity		176,300	129,549	139,111
Reserves		5,753	5,753	5,753
Retained earnings (accumulated deficit)		(74,070)	(69,186)	(76,524)
Total equity		107,983	66,116	68,340

The above statement should be read in conjunction with the accompanying notes.

1. The prior period financial assets have been restated, reclassifying special account amounts held in the OPA between categories with no change to total financial assets. This restatement has been explained in the Overview section.

2. The Office of the Fair Work Ombudsman's (OFWO) original budget reflects the figures presented in the 2022–23 October Portfolio Budget Statements (PBS). The budgeted financial statements have not been audited.

Statement of Changes in Equity

for the period ended 30 June 2023

		2023	2022	Original Budget ¹
	Notes	\$'000	\$'000	2023
				\$'000
CONTRIBUTED EQUITY				
Opening balance				
Balance carried forward from previous period		129,549	126,302	129,549
Closing balance		129,549	126,302	129,549
Comprehensive Income				
Transactions with owners				
Distribution to owners				
Return of Appropriation – ROC Special Account		(1,130)	-	-
Lapsing appropriation		-	(3,464)	-
Contributions by owners				
Departmental capital budget	5.1A	9,982	6,711	9,562
Restructuring - Net Assets from ABCC ²		28,859	-	-
Restructuring - Transferred functions from ABCC ²		8,243	-	-
Restructuring - Transfer of ROC to FWC ²		797	-	-
Total transactions with owners		46,751	3,247	9,562
Closing balance as at 30 June		176,300	129,549	139,111
ASSET REVALUATION RESERVE				
Opening balance				
Balance carried forward from previous period		5,753	5,753	5,753
Opening balance		5,753	5,753	5,753
Closing balance as at 30 June		5,753	5,753	5,753
RETAINED EARNINGS				
Opening balance				
Balance carried forward from previous period		(69,186)	(62,600)	(69,186)
Opening balance		(69,186)	(62,600)	(69,186)
Comprehensive loss				
Deficit for the period		(4,884)	(6,586)	(7,338)
Total comprehensive loss		(4,884)	(6,586)	(7,338)
Closing balance as at 30 June		(74,070)	(69,186)	(76,524)
TOTAL EQUITY		107,983	66,116	68,340

The above statement should be read in conjunction with the accompanying notes.

1. The Office of the Fair Work Ombudsman's (OFWO) original budget reflects the figures presented in the 2022–23 October Portfolio Budget Statements (PBS). The budgeted financial statements have not been audited.

2. Net assets received from or relinquished to another government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity. For further information refer to Note 8.3 Restructuring.

Statement of Changes in Equity

for the period ended 30 June 2023

			Original Budget ¹	
	Notes	2023 \$'000	2022 \$'000	2023 \$'000
TOTAL EQUITY				
Opening balance				
Balance carried forward from previous period		66,116	69,455	66,116
Opening balance		66,116	69,455	66,116
Comprehensive Loss				
Deficit for the period		(4,884)	(6,586)	(7,338)
Total comprehensive Loss		(4,884)	(6,586)	(7,338)
Transactions with owners				
Distribution to owners				
Return of Appropriation – ROC Special Account		(1,130)	-	-
Lapsing appropriation		-	(3,464)	-
Contributions by owners				
Departmental capital budget		9,982	6,711	9,562
Restructuring - Net Assets from ABCC ²		28,859	-	-
Restructuring - Transferred functions from ABCC ²		8,243	-	-
Restructuring - Transfer of ROC to FWC ²		797	-	-
Total transactions with owners		46,751	3,247	9,562
Transfers between equity components		-	-	-
Closing balance as at 30 June		107,983	66,116	68,340

The above statement should be read in conjunction with the accompanying notes.

1. The Office of the Fair Work Ombudsman's (OFWO) original budget reflects the figures presented in the 2022–23 October Portfolio Budget Statements (PBS). The budgeted financial statements have not been audited.

2. Net assets received from or relinquished to another government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity. For further information refer to Note 8.3 Restructuring.

Accounting policy

Equity injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Restructuring of administrative arrangements

Net assets received from or relinquished to another government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity. Refer Note 8.3

Cash Flow Statement

for the period ended 30 June 2023

		2023	2022 ¹	Original Budget ²
	Notes	\$'000	\$'000	2023 \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations ¹		179,990	172,507	164,016
Sales of goods and rendering of services		271	597	580
Net goods and services tax (GST) Received		5,729	5,799	4,148
Other		814	907	850
Total cash received		186,804	179,810	169,594
Cash used				
Employees		107,432	101,798	110,121
Suppliers		52,325	59,793	45,887
Grants		1,756	-	-
Net GST Paid		-	3	130
Interest payments on lease liabilities		298	280	408
Section 74 receipts transferred to Official Public Account (OPA)		11,791	3,588	1,784
Total cash used		173,602	165,462	158,330
Net cash from operating activities		13,202	14,348	11,264
INVESTING ACTIVITIES				
Cash used				
Purchase of non-financial assets		15,364	17,281	11,562
Total cash used		15,364	17,281	11,562
Net cash used by investing activities		(15,364)	(17,281)	(11,562)
FINANCING ACTIVITIES				
Cash received				
Contributed equity		10,278	13,013	9,562
Total cash received		10,278	13,013	9,562
Cash used				
Principal payments of lease liabilities		9,146	8,186	9,264
Return of appropriation - ROC special account		1,130	-	-
Total cash used		10,276	8,186	9,264
Net cash from financing activities		2	4,827	298
Net (decrease)/increase in cash held		(2,160)	1,894	-
Cash and cash equivalents at the beginning of the reporting period		2,642	748	450
Cash and cash equivalents at the end of the reporting period ¹	3.1A	482	2,642	450

The above statement should be read in conjunction with the accompanying notes.

1. Prior period amounts have been restated. Refer to the Overview section for further information.

2. The Office of the Fair Work Ombudsman's (OFWO) original budget reflects the figures presented in the 2022–23 October Portfolio Budget Statements (PBS). The budgeted financial statements have not been audited.

Budget Variance Commentary

The following provides explanations to significant variances between the original budget estimates, as published in the 2022-23 Portfolio Budget Statements, and the actual financial position and performance for the year.

Major variances and explanations	Affected line items
Statement of Comprehensive Income	
Employee and supplier expenses are higher than budget due to the reporting requirements of the restructure, with additional expenses relating to the transferred functions from ABCC being reported in the OFWO financial statements.	<ul style="list-style-type: none"> ▶ Employee benefits ▶ Suppliers
Rental income is less than budget due to the abolishment of the ABCC, which resulted in lower rental income from the ABCC in Brisbane.	<ul style="list-style-type: none"> ▶ Rental income
The OFWO received ABCC's current year appropriation through a s75 transfer resulting in higher revenue from Government recognised in 2023 compared to budget.	<ul style="list-style-type: none"> ▶ Revenue from Government
Statement of Financial Position and Statement of Changes in Equity	
Appropriation receivable is higher due to the unspent appropriations received from the ABCC as part of the Machinery of Government changes.	<ul style="list-style-type: none"> ▶ Trade and other receivables
Non-financial assets were higher due to an increase in intangibles assets related to projects to build software systems to ensure the stability of IT platforms and address cyber security issues. This increase was not anticipated or known at the budget stage.	<ul style="list-style-type: none"> ▶ Land and buildings ▶ Property, plant and equipment ▶ Intangibles
The variance is due to the timing between invoice payments and goods receipts. Material invoices relating to rent payments and IT costs received later than anticipated, combined with additional external legal and contractor expenses incurred in June contributed to increased payables.	<ul style="list-style-type: none"> ▶ Supplier payables
The higher equity balance reflects the ABCC's net assets value recorded in the OFWO following the abolishment of ABCC on 6 February 2023. As part of this restructure, all the ABCC's assets and liabilities were transferred to the OFWO.	<ul style="list-style-type: none"> ▶ Contributed equity
Cash Flow Statement	
Appropriation receipts were higher due to the ABCC appropriation transfer as well as the inclusion of s74 receipts transferred to the OPA that were not estimated in the original budget.	<ul style="list-style-type: none"> ▶ Operating activities
The increased spend on intangible assets from various IT projects contributed to the higher net cash used by investing activities.	<ul style="list-style-type: none"> ▶ Investing activities
As part of restructuring arrangements, the ROC special account was repealed with the remaining balance returned to the OPA. This was not included when setting the original budget.	<ul style="list-style-type: none"> ▶ Finance activities

Administered Schedule of Comprehensive Income

for the period ended 30 June 2023

		Original Budget ¹		
		2023	2022	2023
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Write-down and impairment of assets	2.1A	2,285	238	-
Total expenses		2,285	238	-
Income				
Non-taxation revenue				
Fees and fines	2.2A	7,153	4,033	3,778
Total income		7,153	4,033	3,778
Net contribution by services		4,868	3,795	3,778
Surplus		4,868	3,795	3,778
OTHER COMPREHENSIVE INCOME				
Total Other Comprehensive Income		-	-	-
Total Comprehensive Income		4,868	3,795	3,778

The above schedule should be read in conjunction with the accompanying notes.

1. The OFWO's original budget reflects the figures presented in the 2022-23 October Portfolio Budget Statements (PBS). The budgeted financial statements have not been audited.

Administered Schedule of Assets and Liabilities

as at 30 June 2023

				Original Budget
		2023	2022	2023
	Notes	\$'000	\$'000	\$'000
ASSETS				
Financial assets				
Trade and other receivables	4.1A	4,536	5,212	4,962
Other financial assets	4.1B	968	813	772
Total financial assets		5,504	6,025	5,734
Total assets administered on behalf of Government		5,504	6,025	5,734
Net assets		5,504	6,025	5,734

The above schedule should be read in conjunction with the accompanying notes.

Budget Variance Commentary

In comparing the Administered Schedule of Comprehensive Income and Administered Schedule of Assets and Liabilities to the original budget as published in the 2022–23 October Portfolio Budget Statements, all variances relate to the collection of penalties handed down by the courts where the OFWO has brought forward successful litigations.

In 2022–23 an increased number of cases resulted in higher fees and fines recognised as well as higher debts and related impairment expense recorded based on an assessment of the collectability of debts from legal area.

Due to the nature of these penalties and how they are awarded the OFWO is unable to be accurately estimating these items at the time of establishing budgets.

Administered Reconciliation Schedule

for the period ended 30 June 2023

	2023 \$'000	2022 \$'000
Opening assets less liabilities as at 1 July	6,025	4,438
Net contribution by services		
Income	7,153	4,033
Expenses	(2,285)	(238)
Transfers to/from Australian Government:		
Appropriation transfers from OPA		
Special Appropriations (limited)		
Payments to entities other than corporate Commonwealth entities	92	-
Transfers to OPA	(5,481)	(2,208)
Closing assets less liabilities as at 30 June	5,504	6,025

The above schedule should be read in conjunction with the accompanying notes.

Accounting policy

Administered cash transfers to and from the OPA

Revenue collected by the OFWO for use by the Government rather than the OFWO is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the OFWO on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

Administered Cash Flow Statement

for the period ended 30 June 2023

	2023 \$'000	2022 \$'000
OPERATING ACTIVITIES		
Cash received		
Fees and fines	5,481	2,208
Total cash received	5,481	2,208
Cash used		
Refunds of fees and fines	92	-
Total cash used	92	-
Net cash from operating activities	5,389	2,208
Net increase in cash held	5,389	2,208
Cash and cash equivalents at the beginning of the reporting period	-	-
Cash from the OPA		
Appropriations	92	-
Cash to the OPA		
Administered accounts	(5,481)	(2,208)
Cash and cash equivalents at the end of the reporting period	-	-

The above statement should be read in conjunction with the accompanying notes.

Notes to and Forming Part of the Financial Statements

for the period ending 30 June 2023

Overview

The OFWO is a non-corporate Commonwealth entity for the purposes of the *Public Governance, Performance, and Accountability Act 2013* (PGPA Act).

The OFWO is an independent statutory office created under the *Fair Work Act 2009* on 6 March 2023 as amended by the *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022*. The OFWO promotes harmonious, productive and cooperative workplace relations and ensures compliance with Commonwealth workplace laws by:

- ▶ providing people with accurate and timely advice and information about Australia's workplace relations system
- ▶ educating people about their workplace rights and obligations
- ▶ investigating and disrupting serious and systemic exploitation of workers and other contraventions of workplace laws
- ▶ taking enforcement action, including litigation, to stop and deter people from engaging in unlawful behaviour and clarify the law.

The Basis of Preparation

The financial statements are required by section 42 of the PGPA Act.

The financial statements have been prepared in accordance with:

- ▶ Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR);
- ▶ Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements are prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets, which are reported at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars.

New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements - Two amending standards (AASB 2021-2 and AASB 2021-6) were adopted earlier than the application date as stated in the standard. These amending standards have been adopted for the 2022-23 reporting period as follows:

Standard/Interpretation	Nature of change in accounting policy, transitional provision, and adjustment to financial statements
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (AASB 2021-2); and	AASB 2021-2 amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. The amending standard requires the disclosure of material, rather than significant, accounting policies, and clarifies what is considered a change in accounting policy compared to a change in accounting estimate.
AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (AASB 2021-6)	AASB 2021-6 amends the Tier 2 reporting requirements set out in AASB 1049, AASB 1054 and AASB 1060 to reflect the changes made by AASB 2021-2.

The details of the changes in accounting policies and adjustments are disclosed in the relevant notes to the financial statements. This amending standard is not expected to have a material impact on the OFWO's financial statements for the current reporting period or future reporting periods.

Taxation

The OFWO is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Restructuring

On 6 December 2022 the SJPB Act received Royal Assent, abolishing the ABCC on 6 February 2023 and the Fair Work Ombudsman and Registered Organisations Commission Entity (FWOROC) on 6 March 2023.

ABCC

On ceasing, all remaining assets and liabilities of the ABCC were transferred to the Office of the Fair Work Ombudsman (OFWO). In accordance with the Public Governance, Performance and Accountability Rule 1014, Division 4 special reporting requirements when Commonwealth Entity has ceased to exist and section 17C where some, but not all, of its functions have been transferred, only the ABCC functions relating to compliance, enforcement and legal functions are reported by the OFWO. The building code and corporate functions are reported in the ABCC annual report.

FWOROC

On 6 March the FWOROC was abolished with all functions transferred to the OFWO. Under the Public Governance, Performance and Accountability Rule 1014, Division 4 special reporting requirements when a Commonwealth Entity has ceased to exist and section 17D where all functions have transferred, all functions of the FWOROC up to the 6 March 2023 are reported by OFWO. Subsequent to this restructure, the ROC special account was repealed, and the ROC functions were transferred to the FWC.

Further information is included in Note 8.2A Restructuring.

Restatement of prior period errors

Prior period errors have been corrected in the financial statements due to the reclassification of the ROC special account balance held in the OPA from Trade and other receivables in Note 3.1B, to Cash and cash equivalents in Note 3.1A in accordance with the FRR section 48(7) where: 'If an amount standing to the credit of a special account is held in the OPA, the amount must be disclosed in a reporting entity's financial statement as cash held in the OPA'.

In addition to the reclassification of Cash and cash equivalents in Note 3.1A, Note 5.1B Unspent appropriations published in 2021–22 did not include the s51 withholding amounts. The correction in the 5.1B prior year balance includes a decrease of \$2.192 million relating to the ROC special account, and an increase of \$12.128 million relating to a s51 reduction not previously reported. As a result, the net impact is \$9.936 million.

Other notes impacted by this reclassification are Note 7.2 Financial instruments and Note 8.1A Current/non-current distinction for assets and liabilities.

This restatement has impacted the financial statements as follows:

Category	2022 Published \$'000	2022 Restated \$'000	Correction amount \$'000
Statement of Financial Position			
Cash and cash equivalents – Cash in special account	450	2,642	2,192
Trade and other receivables – Appropriation receivable	69,299	67,107	(2,192)
Total financial assets	69,749	69,749	-
Cash Flow Statement			
Operating cash used - Appropriations	170,315	172,507	2,192
Total cash received	177,618	179,810	2,192
Net cash from operating activities	12,156	14,348	2,192
Net increase/(decrease) in cash held	(298)	1,894	2,192
Cash and cash equivalents at the end of the reporting period	450	2,642	2,192
Note 5.1B Unspent appropriations			
2019–20 Appropriation Act 1 – Ordinary Annual Services	2,657	2,657	0
2019–20 Appropriation Act 1 – Capital Budget (DCB) – Non Operating	807	807	0
2020–21 Supply Act (No. 1) – Ordinary Annual Services	0	2,657	2,657
2020–21 Supply Act (No.1) – Capital Budget (DCB) – Non Operating	0	807	807
2020–21 Appropriation Act (No.1) – Ordinary Annual Services	0	4,000	4,000
2021–22 Appropriation Act (No.1) – Ordinary Annual Services – Cash	0	450	450
2021–22 Appropriation Act (No.1) – Capital Budget (DCB) – Non Operating	0	807	807
2021–22 Appropriation Act (No.1) – Ordinary Annual Services	64,948	66,163	1,215
2021–22 Appropriation Act 3 – Ordinary Annual Services	2,870	2,870	0
Total	71,282	81,218	9,936

Events after the reporting date

No significant events have occurred after the reporting date that are likely to affect either the ongoing structure or financial activities of the OFWO.

1. Departmental Financial Performance

This section analyses the financial performance of OFWO for the year ended 30 June 2023.

1.1 Expenses

	2023 \$'000	2022 \$'000
1.1A: Employee benefits		
Wages and salaries	80,025	74,072
Superannuation		
Defined contribution plans	12,174	10,301
Defined benefit plans	4,014	4,115
Leave and other entitlements	14,727	10,976
Separation and redundancies	4,486	1,782
Other employee expenses ¹	42	14
Total employee benefits	115,468	101,260

1. The comparative for other employee expenses has been amended to reflect the reclassification of staff-related expenses paid to suppliers of \$0.472 million that are now reported in Note 1.1B. Due to the reclassification, the total employee benefits has decreased by \$0.472 million (from \$101.732 million previously reported, to \$101.260 million).

Accounting policy

Accounting policies for employee-related expenses are contained in the People and Relationships section.

	2023 \$'000	2022 \$'000
1.1B: Suppliers		
Goods and services supplied or rendered¹		
Consultants	882	1,250
Contractors	5,643	9,323
Education campaigns	1,151	1,382
Government shared services	11,620	11,438
Information and communications technology	4,599	4,783
Legal fees	15,571	15,890
Office and other staff related	4,331	4,643
Property	2,891	2,976
Travel	1,576	649
Other	691	482
Total goods and services supplied or rendered	48,955	52,816
Goods supplied	3,408	4,880
Services rendered	45,547	47,936
Total goods and services supplied or rendered	48,955	52,816
Other suppliers		
Workers compensation expenses	452	659
Operating lease rentals	741	738
Total other suppliers	1,193	1,397
Total suppliers	50,148	54,213

1. The 2022 comparatives have been updated to include payments made to suppliers relating to staff costs of \$0.472 million previously reported in Note 1.1A. Due to the reclassification, the total suppliers has increased by \$0.472 million (from \$53.741 million previously reported to \$54.213 million). In addition, supplier expense categories have been updated.

The OFWO has short-term property lease commitments of \$367,780 and short-term motor vehicle lease commitments of \$58,178 as at 30 June 2023. The above lease disclosures should be read in conjunction with the accompanying notes 3.2 and 3.4.

Accounting policy

Short-term leases and leases of low-value assets

The OFWO has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

1.2 Own-Source Revenue and Gains

Own-source Revenue

	2023 \$'000	2022 \$'000
1.2A: Other Income		
Resources received free of charge – audit fees	75	75
Other income ¹	760	741
Total other income	835	816

1. Other income includes revenue amounts received from the ABCC prior to the abolishment on 6 February 2023 as well as other minor refunded amounts.

Accounting policy

Resources received free of charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined, and the services would have been bought if they had not been donated. Use of these resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Other income

AASB 1058 applies to transactions where they don't meet the revenue recognition requirements of AASB 15. This standard applies when a not-for-profit entity receives volunteer services, such as the resources received free of charge costs above or enters other transactions where an asset is acquired for significantly less than its fair value but principally enables the entity to further its objectives, such as donations, bequests, and grants that do not contain sufficiently specific performance obligations.

	2023 \$'000	2022 \$'000
1.2B: Revenue from Government		
Appropriations		
Departmental appropriations	178,498	165,738
Total revenue from Government	178,498	165,738

Accounting policy

Revenue from government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue from government when the OFWO gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriation receivables are recognised at their nominal amounts.

2. Income and Expenses Administered On Behalf of Government

This section analyses the activities that OFWO does not control but administers on behalf of Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

2.1 Administered – Expenses

	2023 \$'000	2022 \$'000
2.1A: Write-down and impairment of assets		
Impairment of Other receivables – Court-awarded penalties	2,285	238
Total write-down and impairment of assets	2,285	238

Accounting policy

Litigations undertaken by the OFWO may result in penalties being handed down by the courts against employers and directors of the employing entity. These penalties are held as administered debtors in the accounts of the OFWO. An assessment of the recoverability of the debt is carried out by the OFWO's Legal Branch and if a debt is deemed to not be recoverable, a provision is established against the debtor and that associated cost is expensed.

2.2 Administered – Income

Revenue

	2023 \$'000	2022 \$'000
2.2A: Fees and fines		
Court-awarded penalties	4,317	2,562
Infringement notices	781	495
Other fees from regulatory services	2,055	976
Total fees and fines	7,153	4,033

Accounting policy

All administered revenues are revenues relating to ordinary activities performed by the OFWO on behalf of the Australian Government. As such, administered appropriations are not revenues of the individual agency that oversees distribution of the funds as directed.

Revenue comprises court-awarded penalties and infringement notices relating to breaches of either the *Workplace Relations Act 1996* or the *Fair Work Act 2009* and contrition payments made to OFWO under the terms of Enforceable Undertakings. The court-awarded penalty and Enforceable Undertaking revenues are recognised at the nominal amount due less any impairment allowance. The collectability of debts is reviewed at each reporting date by the OFWO's Legal Branch. Impairment allowances are made when some doubt exists as to the collectability of the debt. Revenue from infringement notices is recognised on receipt of payment.

3. Departmental Financial Position

This section analyses the OFWO assets used to conduct its operations and the operating liabilities incurred as a result. Employee-related information is disclosed in the People and Relationships section.

3.1 Financial Assets

	2023 \$'000	2022 ¹ \$'000
3.1A: Cash and Cash Equivalents		
Cash on hand or on deposit	378	336
Cash held by contracted agents	104	114
Cash in special account ¹	-	2,192
Total cash and cash equivalents	482	2,642

1. The prior period amount has been restated, reclassifying special account amounts held in the OPA from Note 3.1B Trade and other receivables. This restatement has been explained in the Overview section

Accounting Policy

Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a) cash on hand;
- b) demand deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value; and
- c) cash held in the OPA for special accounts

	2023 \$'000	2022 \$'000
3.1B: Trade and Other Receivables		
Goods and services receivable		
Goods and services	528	1,082
Total goods and services receivables	528	1,082
Appropriations receivables		
Appropriation receivable ¹	106,877	65,176
Total appropriations receivables	106,877	65,176
Other receivables		
GST Receivable from the ATO	797	645
Other	79	204
Total other receivables	876	849
Total trade and other receivables	108,281	67,107

No provision for impairment is required as at balance date.

Credit terms for goods and services were within 20 days (2022: 20 days).

1. The prior period amount has been restated, reclassifying special account amounts held in the OPA to Note 3.1A Cash and cash equivalents. This restatement has been explained in the Overview section.

Accounting policy

Trade and other receivables

Trade and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, which are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

Impairment of financial assets

Financial assets are assessed for credit risk on initial recognition and subsequently assessed for impairment at the end of each reporting period.

3.2 Non-Financial Assets

3.2A: Reconciliation of the opening and closing balance of property, plant and equipment and intangibles

	Right-of-use assets \$'000	Land and buildings (leasehold improvement) \$'000	Property, plant and equipment \$'000	Intangibles (computer software) ¹ \$'000	Total \$'000
As at 1 July 2022					
Gross book value	52,036	22,197	6,753	63,555	144,541
Accumulated depreciation, amortisation and impairment	(25,906)	(11,989)	(4,869)	(39,249)	(82,013)
Total as at 1 July 2022	26,130	10,208	1,884	24,306	62,528
Additions					
Purchase	-	-	147	15,217	15,365
Right-of-use assets	2,587				2,587
Depreciation and amortisation	-	(2,709)	(969)	(4,339)	(8,017)
Depreciation on right-of-use assets	(8,764)	-	-	-	(8,764)
Other movements	-	1	2	(4)	(1)
Total as at 30 June 2023	19,953	7,500	1,064	35,180	63,697
Total as at 30 June 2023 represented by:					
Gross book value	54,623	22,198	6,674	60,747	144,242
Accumulated depreciation, amortisation and impairment	(34,670)	(14,698)	(5,610)	(25,567)	(80,545)
Total as at 30 June 2023	19,953	7,500	1,064	35,180	63,697
Carrying amount of right-of-use assets	19,953	-	-	-	19,953

1. The carrying amount of computer software at 30 June 2023 comprised of internally generated software.

2. There were no significant commitments for the acquisition of property, plant, equipment and intangible assets on 30 June 2023 (2022: nil).

Accounting policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Non-financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of the restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset recognition threshold

Purchases of land and buildings (leasehold improvements), property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total). The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the OFWO where there exists an obligation to restore the property to its original condition at the end of the lease term. These costs are included in the value of the OFWO's land and buildings (leasehold improvements) assets with a corresponding provision for the 'make good' recognised.

Lease right-of-use (ROU) assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise the initial lease liability amount (initial direct costs incurred when entering into the lease less any lease incentives received). On initial adoption of AASB 16 the OFWO has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right-of-use lease asset that shows indicators of impairment and an impairment loss is recognised against any right-of-use lease asset that is impaired. No impairment loss has been recognised in 2023 (2022: nil). Lease ROU assets continue to be measured at cost after initial recognition in Commonwealth agency, general government sector and whole-of-Government financial statements.

Revaluations

Following initial recognition at cost, land and buildings (leasehold improvements, excludes ROU assets), property, plant and equipment are carried at fair value, or an amount not materially different from fair value. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

No independent valuation assessment was conducted during 2022–23. In March 2021, AON Global Risk Consulting Pty Ltd, an independent valuer, conducted a valuation assessment of the Agency's non-financial assets.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the OFWO using, in all cases, the straight-line method of depreciation. Land and buildings (leasehold improvements) are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements and the unexpired period of the lease. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable assets are based on the following useful lives:

Asset class	2023	2022
Leasehold improvement	Lesser of term and useful life	Lesser of term and useful life
Plant and equipment	5 years	5 years
Computer equipment	3–8 years	3–8 years

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Impairment

All assets were assessed for impairment at 30 June 2023. Where indications of impairment exist, the asset’s recoverable amount is estimated, and an impairment adjustment made if the asset’s recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset’s ability to generate future cash flows, and the asset would be replaced if the OFWO were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

No indicators of impairment were found for land and buildings (leasehold improvements). No indicators of impairment were found for property, plant and equipment and intangibles.

Derecognition

An item of land and buildings (leasehold improvements), property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles

The OFWO’s intangibles comprise internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the OFWO’s software are 3 years (2022: 3 years).

All software assets were assessed for indications of impairment as at 30 June 2023.

3.3 Payables

	2023 \$'000	2022 \$'000
3.3A: Suppliers		
Trade creditors and accruals	11,887	8,006
Total suppliers	11,887	8,006

Settlement is usually made net 30 days.

	2023 \$'000	2022 \$'000
3.3B: Other Payables		
Salaries and wages	3,135	2,372
Operating Lease Rentals	3	-
Total other payables	3,138	2,372

Accounting policy

Suppliers and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods and services have been received and irrespective of having been invoiced.

3.4 Interest Bearing Liabilities

	2023 \$'000	2022 \$'000
3.4A: Leases		
Lease liabilities	21,913	28,472
Total leases	21,913	28,472
Total cash outflow for leases for the year ended 30 June 2023 was \$9.444 million.		
Maturity analysis – contractual undiscounted cash flows		
Within 1 year	9,089	9,128
Between 1 to 5 years	12,761	18,605
More than 5 years	727	1,319
Total leases	22,577	29,052

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B and 3.2.

Accounting policy

For all new contracts entered into, the OFWO considers whether the contract is, or contains, a lease. A lease is defined as a 'contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the OFWO's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is measured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the ROU asset or profit and loss depending on the nature of the reassessment or modification.

4. Assets and Liabilities Administered on Behalf of Government

This section analyses the assets and liabilities that OFWO does not control but administers on behalf of Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

4.1 Administered – Financial Assets

	2023 \$'000	2022 \$'000
4.1A: Trade and Other Receivables		
Other receivables		
Court-awarded penalties	8,817	7,635
Total trade and other receivables (gross)	8,817	7,635
Less Expected credit loss allowance		
Other receivables – Court-awarded penalties	(4,281)	(2,423)
Total trade and other receivables (net)	4,536	5,212

All receivables are expected to be settled within 12 months.

Accounting policy

Receivables

Where receivables are not subject to concessional treatment, they are carried at amortised cost using the effective interest method. Gains and losses due to impairment, derecognition and amortisation are recognised through profit or loss. Administered receivables represents debts owed to the OFWO by employers, workers and organisations as a result of court-awarded penalties.

	2023 \$'000	2022 \$'000
4.1B: Other Financial Assets		
Accrued revenue	968	813
Total other financial assets	968	813

All other financial assets are expected to be settled within 12 months.

5. Funding

This section identifies the OFWO funding structure.

5.1 Appropriations

5.1A: Annual appropriations ('Recoverable GST exclusive')

Annual Appropriations for 2023

	Annual appropriation ¹ \$'000	Adjustments to appropriation ² \$'000	Total appropriation \$'000	Appropriation applied in 2023 (current and prior years) \$'000	Variance ³ \$'000
Departmental					
FWORCE					
Ordinary annual services	165,759	(110,559)	55,200	122,536	(67,336)
Capital budget ⁴	9,562	(9,562)	-	-	-
OFWO					
Ordinary annual services	-	151,104	151,104	53,884	97,220
Capital budget ⁴	-	9,982	9,982	10,278	(296)
Total departmental	175,321	40,965	216,286	186,698	29,588

1. Ordinary annual services appropriation of \$21.687 million has been withheld under section 51 of the PGPA Act. \$17.944 million relates to funding transferred from the former ABCC, with the remaining \$3.743 million relating to the ROC function transferred to FWC.
2. Adjustments to appropriation comprised PGPA Act section 74 receipts of \$6.141 million and PGPA Act section 75 transfers from ABCC of \$34.483 million in ordinary annual services and \$0.420 million in DCBs.
3. The variance between total appropriation and appropriation applied in 2023 relates to \$21.687 million reduced under s51.
4. Departmental Capital Budgets are appropriated through Appropriation Acts (No. 1, 3, 5). They form part of ordinary annual services and are not separately identified in the appropriation acts.

Annual appropriations for 2022

	Annual appropriation ¹ \$'000	Adjustments to appropriation ² \$'000	Total appropriation \$'000	Appropriation applied in 2022 (current and prior years) \$'000	Variance ³ \$'000
Departmental					
Ordinary annual services	165,738	3,588	169,326	173,903	(4,577)
Departmental capital budget ⁴	6,711	-	6,711	13,013	(6,302)
Total departmental	172,449	3,588	176,037	186,916	(10,879)

1. Appropriation related to the National Labour Hire Registration Scheme (\$2.657 million of Ordinary annual services and \$0.807 million of Capital Budget) have been withheld (Section 51 of the PGPA Act) due to the enabling legislation not yet being passed. A further \$1.200 million related to a COVID-19 communications campaign was withheld under Section 51 during the period, after it was decided not to proceed with the campaign.
2. Adjustments to appropriation in 2021–22 comprised PGPA Act Section 74 receipts of \$3.588 million.
3. The variance between total appropriation and appropriation applied in 2022 relates to unutilised funds from lower than budgeted expenditure, higher trade creditors and accruals, and delays in capital projects.
4. Departmental Capital Budgets are appropriated through Appropriation Acts (No. 1, 3, 5). They form part of ordinary annual services and are not separately identified in the appropriation acts.

5.1B: Unspent annual appropriations ('Recoverable GST exclusive) Departmental

	2023 \$'000	2022 ⁸ \$'000
2019-20 Appropriation Act 1 – Ordinary Annual Services ¹	-	2,657
2019-20 Appropriation Act 1 – Capital Budget (DCB) - Non-Operating ¹	-	807
2020-21 Supply Act 1 – Ordinary Annual Services ²	2,657	2,657
2020-21 Supply Act 1 – Capital Budget (DCB) – Non-Operating ³	807	807
2020-21 Appropriation Act 1 – Ordinary Annual Services ⁴	4,000	4,000
2021-22 Appropriation Act 1 – Ordinary Annual Services ⁵	19,570	66,163
2021-22 Appropriation Act (No.1) – Ordinary Annual Services – Cash	-	450
2021-22 Appropriation Act (No.1) – Capital Budget (DCB) - Non-Operating ⁶	807	807
2021-22 Appropriation Act 3 – Ordinary Annual Services	-	2,870
2022-23 Supply Act (No.1) – Ordinary Annual Services	26,393	-
2022-23 Supply Act (No.3) – Ordinary Annual Services ⁷	76,439	-
2022-23 Appropriation Act (No.1) – Ordinary Annual Services	10,020	-
2022-23 Appropriation Act (No.1) – Ordinary Annual Services – Cash	482	-
Total	141,175	81,218

1. Appropriation Acts are automatically repealed 3 years after they have been passed by Parliament. As such, the unspent appropriations from 2019–20 totalling \$3.464 million relating to the National Labour Hire Registration Scheme (NLHRS), that had previously been quarantined, were repealed on 1 July 2022.
2. \$2.657 million has been withheld under section 51 of the PGPA Act relating to the NLHRS.
3. \$0.807 million has been withheld under section 51 of the PGPA Act relating to the NLHRS.
4. \$4.000 million has been withheld under section 51 of the PGPA Act relating to the COVID-19 communication funding.
5. \$3.875 million has been withheld under section 51 of the PGPA Act. \$2.657 million relates to the NLHRS, and \$1.2 million relates to COVID-19 communication funding.
6. \$0.807 million has been withheld under section 51 of the PGPA Act relating to the NLHRS.
7. \$21.687 million has been withheld under section 51. \$17.944 million relates to funding transferred from the former ABCC and \$3.743 million relates to the ROC function transferred to FWC.
8. The comparative figures have been restated to include the s51 withholding amounts. Refer to the Overview section for further information.

5.1C: Special appropriations ('Recoverable GST exclusive)

Authority	Type	Purpose	Appropriation Applied	
			2023 \$'000	2022 \$'000
Fair Work Act 2009 s559(4) Administered	Unlimited	To provide an appropriation where an Act or other law requires or permits the repayment of an amount received by the Commonwealth and apart from this section there is no specific appropriation for the repayment.	395	445
Public Governance, Performance and Accountability Act 2013 - s77 Repayments		To provide refunds relating to the ABCC court penalties repaid on appeal where these were not funded elsewhere.	92	-
Total special appropriate applied			487	445

5.2 Special Accounts

	2023 \$'000	2022 \$'000
ROC Special Account¹		
Balance brought forward from previous period	2,192	1,137
Increases	3,541	7,230
Total increases	3,541	7,230
Available for payments	5,733	8,367
Decreases	4,603	6,175
Return to OPA	1,130	
Total decreases	5,733	6,175
Total balance carried to the next period	-	2,192
Balance represented by		
Cash held in the agency bank account	-	-
Cash held in the OPA	-	2,192
Total balance carried forward to next period	-	2,192

1. Appropriation: PGPA Act, section 80.

Establishing Instrument: *Fair Work (Registered Organisations) Amendment Act 2016*, section 329EA.

Purpose: Paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the Commissioner's functions.

The ROC special account was repealed in 2023 on abolition of the Registered Organisations Commission on 6 March 2023, resulting from the *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022*.

The \$2.192 million in 2021–22 was incorrectly reported as part of the appropriation receivable balance in Note 3.1B. The balance has been reclassified under "cash in the special account" in Note 3.1A.

5.3 Net Cash Appropriation Arrangements

	2023 \$'000	2022 \$'000
Total comprehensive loss – as per the Statement of Comprehensive income	(4,884)	(6,586)
Plus: depreciation / amortisation of assets funded through appropriations (departmental capital budget funding and / or equity injections ¹)	8,017	6,758
Plus: depreciation right-of-use assets ²	8,764	8,331
Less: principal repayments – leased assets ²	(9,146)	(8,186)
Net Cash Operating Surplus	2,751	317

1. From 2010–11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities and selected corporate Commonwealth entities were replaced with a separate capital budget provided through equity injections. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

2. The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principal repayment amount reflects the impact of AASB 16 Leases, which does not directly reflect a change in appropriation arrangements.

6. People and Relationships

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

6.1 Employee provisions

	2023 \$'000	2022 \$'000
6.1: Employee Provisions		
Leave	29,549	29,126
Other	48	25
Total employee provisions	29,597	29,151

Accounting policy

Liabilities for short-term employee benefits and termination benefits expected within 12 months of the end of the reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any), out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for personal leave as all personal leave is non-vesting and the average personal leave taken in future years by employees of the OFWO is estimated to be less than the annual entitlement for personal leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the OFWO's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The estimate of the present value of the long service leave liability takes into account attrition rates and pay increases through promotion and inflation using the shorthand method prescribed in the FRR.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. The OFWO recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

The OFWO's staff are members of either the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS Accumulation Plan (PSSap), or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The OFWO makes employer contributions to the employees' defined benefit superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government. The OFWO accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised at 30 June represents outstanding contributions.

Accounting judgements and estimates

In the process of applying the accounting policies listed in this note, the OFWO has made the following judgements that have significant impact on the amounts recorded in the financial statements: the Australian Government shorthand method has been used to estimate the present value of long service leave liabilities. This involves the estimation of salary growth rates, discount rates, the probability of leave vesting and the amount of leave expected to be settled in service.

6.2 Key Management Personnel Remuneration

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the Entity, directly or indirectly. The entity has determined the KMP to be the Attorney-General and Minister for Industrial Relations, the Chief Executive, members of the Corporate Board and the Registered Organisations Commissioner. KMP remuneration is reported in the table below:

	2023 \$'000	2022 \$'000
Short-term employee benefits	1,992	2,050
Post-employment benefits	312	308
Other long-term employee benefits	93	55
Termination benefits	139	-
Total key management personnel remuneration expenses	2,536	2,413

The total number of senior management personnel that are included in the above table are 7 (2022: 7).

The above key management personnel remuneration excludes the remuneration and other benefits of the Attorney-General and Minister for Industrial Relations. The Ministers' remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Entity.

6.3 Related Party Disclosures

Related party relationships

The Entity is an Australian Government controlled entity. Related parties to this Entity are KMP including the Attorney-General and Minister for Industrial Relations, the Chief Executive, members of the Corporate Board and the ROC Commissioner.

Transactions with related parties

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. These transactions have not been separately disclosed in this note.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the Entity, it has been determined that there are no related party transactions to be separately disclosed.

7. Managing Uncertainties

This section analyses how the OFWO manages financial risks within its operating environment.

7.1 Contingent Assets and Liabilities

7.1A: Contingent Assets and Liabilities

As at 30 June 2023, the OFWO had no quantifiable or unquantifiable contingent assets or liabilities (2022: nil).

7.1B: Administered - Contingent Assets and Liabilities

As at 30 June 2023 the OFWO had no quantifiable contingent assets or liabilities (2022: nil).

As at 30 June 2023, the OFWO is currently involved in litigation against **132** entities and while the probability of success is high in these matters, it is not possible to accurately estimate the value of any penalties that may be imposed by the courts. (2022: 139)

As at 30 June 2023, the OFWO has no unquantifiable administered contingent liabilities. (2022: nil)

Accounting policy

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an asset or liability for which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when the likelihood of settlement is greater than remote.

7.2 Financial Instruments

	2023 \$'000	2022 \$'000
7.2: Categories of Financial Instruments		
Financial assets at amortised cost		
Cash and cash equivalents ¹	482	2,642
Goods and services receivables ¹	528	1,082
Other receivables	79	204
Total financial assets at amortised cost	1,089	3,928
Total financial assets	1,089	3,928
Financial Liabilities		
Financial liabilities measured at amortised cost		
Suppliers	11,887	8,006
Total financial liabilities measured at amortised cost	11,887	8,006
Total financial liabilities	11,887	8,006

The OFWO has no net income or expenses from financial instruments.

1. The prior year amounts have been restated to reflect the ROC special account balance in cash and cash equivalents. For further information see the Overview section.

Accounting policy

Financial assets

In accordance with AASB 9 Financial Instruments, the OFWO classifies its financial assets in the following categories:

- a) financial assets at fair value through profit or loss
- b) financial assets at fair value through other comprehensive income
- c) financial assets measured at amortised cost.

The classification depends on both the Entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the Entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash, and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

In 2023 the OFWO's financial assets are all measured at amortised cost.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period based on expected credit losses, using the general approach which, measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial assets at amortised cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective interest method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial liabilities at amortised cost

The OFWO's financial liabilities are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

7.3 Fair Value Measurement

Fair value measurements at the end of the reporting period

	2023 \$'000	2022 \$'000
Non-financial assets		
Land and buildings (leasehold improvements)	7,500	10,208
Property, plant and equipment	1,064	1,884
Total fair value measurements of assets in the Statement of Financial Position	8,564	12,092

There is no significant change in the valuation technique since the prior year.

Accounting policy

The fair value of non-financial assets has been taken to be the market value of similar assets.

The OFWO's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of all controlled assets is considered their highest and best use. The Entity procured valuation services from AON Global Risk Consulting Pty Ltd for the 2020–21 financial year and relied on valuation models provided by AON. AON provided written assurance to the Entity that the valuation models developed are in accordance with AASB 13.

8. Other Information

8.1 Current/non-current distinction for assets and liabilities

	2023 \$'000	2022 \$'000
8.1A: Current/non-current distinction for assets and liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents ¹	482	2,642
Trade and other receivables ¹	108,281	67,107
Prepayments	2,058	1,840
Total no more than 12 months	110,821	71,589
More than 12 months		
Right-of-use assets	19,953	26,130
Land and buildings (leasehold improvements)	7,500	10,208
Property, plant and equipment	1,064	1,884
Intangibles	35,180	24,306
Total more than 12 months	63,697	62,528
Total assets	174,518	134,117
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	11,887	8,006
Other payables	3,138	2,372
Leases	13,122	8,886
Employee provisions	12,075	12,197
Total no more than 12 month	40,222	31,461
More than 12 months		
Leases	8,791	19,586
Employee provisions	17,522	16,954
Total more than 12 months	26,313	36,540
Total liabilities	66,535	68,001

1. The prior year amounts have been restated to reflect the ROC special account balance in cash and cash equivalents. For further information see the Overview section.

	2023 \$'000	2022 \$'000
8.1B: Current/non-current distinction for Administered Assets and Liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Trade and other receivables	4,536	5,212
Other financial assets	968	813
Total no more than 12 months	5,504	6,025
More than 12 months		
Total more than 12 months	-	-
Total assets	5,504	6,025

8.2 Assets Held in Trust

8.2A: Assets held in trust

Monetary assets

For the receipt of monies temporarily held in trust or otherwise for the benefit of a person other than the Commonwealth and to repay amounts where an Act or other law requires or permits the repayment of an amount received.

	2023 \$'000	2022 \$'000
Monetary Assets		
As at 1 July	6,092	4,858
Receipts	7,890	1,679
Payments	(395)	(445)
Total monetary assets held in trust as at 30 June	13,587	6,092

The values above are at fair value.

8.3 Restructuring

	2023	
	ASSUMED Compliance, Enforcement and Legal functions transferred from ABCC ¹ \$'000	RELINQUISHED Registered Organisations Commission functions transferred to FWC ² \$'000
FUNCTIONS ASSUMED		
Assets recognised		
Appropriation Receivable	31,698	-
Other Receivables	79	-
Total assets recognised	31,777	-
Liabilities recognised		
Supplier Payables	2,023	-
Other Payables	895	-
Employees leave liabilities	-	797
Total liabilities recognised	2,918	797
Net liabilities recognised	28,859	(797)
Income assumed		
Recognised by the receiving entity	16,910	3,743
Recognised by the losing entity	-	3,541
Total income assumed	16,910	7,284
Expenses assumed		
Recognised by the receiving entity	8,264	2,907
Recognised by the losing entity	-	4,529
Total expenses assumed	8,264	7,436
Administered		
Other receivables	12	
Net assets relinquished	12	

1. On 6 February 2023 the *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022* abolished the Australian Building and Construction Commission (ABCC) transferring most of the functions including the compliance, enforcement and legal functions which are reported in the OFWO's financial statements. Non-transferred functions relating to the building code and corporate functions have been reported in the ABCC's financial statements.

No expenses and income have been recognised by the ABCC in relation to transferred functions as the ABCC financial statements have been reported based on section 17C of the PGPA Rule and only include non-transferred functions.

2. The Registered Organisations Commission functions were relinquished from the former Fair Work Ombudsman and Registered Organisations Commission Entity to the Fair Work Commission during the 2022–2023 financial year due to the abolition of the Registered Organisations Commission on 6 March 2023, resulting from the *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022*.

The staff of the Registered Organisations Commission (excluding the Commissioner) were transferred to the Fair Work Commission under s72 of the *Public Service Act 1999*. The net liabilities relinquished to the Fair Work Commission during the 2022–2023 financial year were \$796,895.





PART 8

Reference material

Appendix

Reporting on specific legislation

Glossary

Abbreviations and acronyms

List of requirements

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Appendix

Agency Resource Statement 2022–23

	Actual Available Appropriation for 2022–23 \$'000 (a)	Payments Made 2022–23 \$'000 (b)	Balance Remaining 2022–23 \$'000 (a-b)
Ordinary annual services¹			
Departmental appropriation ²	292,676	185,317	107,359
Total Ordinary Annual Services	292,676	185,317	107,359
Other Services			
Special Appropriation			
Administered outputs	650	487	163
Total Special Appropriation	650	487	163
Total Available Annual Appropriations	293,326	185,804	107,522
Funds Held by CRF			
Opening balance	6,092	-	6,092
Non-appropriation receipts	7,890	-	7,890
Payments	-	395	(395)
Total Funds Held by CRF	13,982	395	13,587
Special Account			
Opening balance	2,192	-	2,192
Non-appropriation receipts	3,541	-	3,541
Payments	-	5,733	(5,733)
Total Special Account	5,733	5,733	-
Total Net Resourcing for Fair Work Ombudsman and Registered Organisations Commission Entity	313,041	191,932	121,109

1 Appropriation Act (No. 1) 2022-23. This may also include prior-year departmental appropriation and section 74 retained revenue receipts.

2 Includes an amount of \$9.562m in 2022-23 for the departmental capital budget. For accounting purposes, this amount has been designated as 'contributions by owners'.

Expense and Resources for Outcome 1

	Budget 2022-23 \$'000 (a)	Actual Expenses 2022-23 \$'000 (b)	Variation \$'000 (a-b)
Outcome 1: Compliance with workplace relations legislation by employees and employers through advice, education and where necessary enforcement.			
Program 1: Education Services and Compliance Activities			
Departmental Expenses			
Departmental appropriation	178,498	175,747	2,751
S74 Retained revenue receipts	1,400	1,106	294
Expenses not requiring appropriation in the budget year	16,602	16,781	(179)
Total for Program 1	196,500	193,634	2,866
Total Expenses for Outcome 1	196,500	193,634	2,866
2022-23			
Average staffing level (number)		890	

Reporting on specific legislation

Legislation	Section
Section 311A <i>Commonwealth Electoral Act 1918</i>	Advertising (page 124)
Section 516A <i>Environmental Protection and Biodiversity Conservation Act 1999</i>	Property and environment management (page 115)
Part II <i>Freedom of Information Act 1982</i>	Freedom of information (page 120)
Schedule 2, Part 4 <i>Work Health and Safety Act 2011</i>	Work health and safety (page 114)
Section 329FC, <i>Fair Work (Registered Organisations) Act 2009</i>	Registered Organisations Commission (page 50)
<i>Building and Construction Industry (Improving Productivity) Act 2016</i> [Repealed 7 December 2022]	BCIIP Act Annual Report (page 67)

Glossary

Accountable authority

The accountable authority, in the context of this Annual Report, is the person responsible for, and has control over, the OFWO's operations.

Agency

The Office of the Fair Work Ombudsman (OFWO).

Annual performance statement

A requirement under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), the statement provides a line of sight between planned non-financial performance outlined in a Corporate Plan and actual performance over the reporting period.

Appropriation

An amount of public money that Parliament authorises for spending on a particular purpose.

Australian Public Service Employee Census

An online, confidential and voluntary survey that tracks the views of Australian Public Service (APS) employees about leadership, their workplace and conditions of work. The results are a key source of information for the State of the Service report.

Auslan

Australian sign language, developed by, and for, Australians who are deaf or hearing impaired.

AusTender

The Australian Government's web-based procurement system, which provides centralised access to all publicly available approaches to market, multi-use lists, annual procurement plans and reported contracts.

Australian Public Services (APS) employee

A person engaged under section 22, or a person who is engaged as an APS employee under section 72, of the *Public Service Act 1999* (Public Service Act).

Building industry participant

A building industry participant is:

- a building employee, employer or contractor
- a person who enters into a contract with a building contractor under which the building contractor agrees to carry out building work or to arrange for building work to be carried out
- a building association, or
- an officer, delegate, employee or other representative of a building association.

Comcare

An insurer, regulator and scheme manager that supports healthy and safe workplaces, and reduces harm and injury.

Common law contract

An individual contract of employment between an employer and an employee that is not lodged or certified under federal or state legislation but is subject to award requirements and provisions.

Compliance notice (CN)

A notification that legally requires a person to do certain things to fix alleged entitlement-based *Fair Work Act 2009* (FW Act) breaches. Non-compliance with these notices is actionable in a court and can result in penalties.

Corporate governance

The process by which agencies are directed and controlled. It is generally understood to encompass authority, accountability, stewardship, leadership, direction and control.

Corporate Plan

A primary strategic planning document that sets out objectives, capabilities and intended results over a 4-year period in accordance with stated purposes. The Plan should provide a clear line of sight with the relevant annual performance statement, portfolio budget statement (PBS) and Annual Report.

Digital display

Digital display is advertising on websites, apps or social media through banners or other advertising formats made of text, images, flash, video and audio.

Employer Advisory Service (EAS)

The Employer Advisory Service (EAS) is a free service to help small business employers understand and meet their workplace pay and entitlements obligations under the FW Act.

Enforceable undertakings (EUs)

Enforceable undertakings (EUs) are legally binding documents that set out a company's written commitment to address workplace contraventions and prevent future breaches.

Enterprise Agreement (EA)

A legally enforceable agreement made under the FW Act (on or after 1 July 2009) between one or more employers and a group of employees in relation to terms and conditions of employment for those employees.

Fair Work Act 2009 (FW Act)

The principal Commonwealth law governing Australia's workplace relations system.

Fair Work (Registered Organisations) Act 2009

The legislation that covers the registration and accountability of federally registered unions and employer associations.

Freedom of Information Act 1982 (FOI Act)

This legislation gives people the right to request access to Government-held information. This includes information about individuals and Government policies and decisions.

Grant

Commonwealth financial assistance covered by the Commonwealth Grants Rules and Guidelines.

Individual flexibility agreement

A written agreement used by an employer and employee to change the effect of certain clauses in their award or registered agreement – making alternative arrangements that better suit the needs of the employer and employee. Other known term: flexibility term.

Infringement notice (IN)

Infringement notices (INs) are fines issued to employers for breaching record-keeping and pay slip requirements under the FW Act. INs may be issued on the spot.

Key Performance Indicators (KPIs)

Financial and non-financial measures used to help define and evaluate an organisation's success. An indicator is usually selected on the basis of relevance as a measure of some aspect of a specific project or operation.

Large corporates

Large businesses, corporate groups or entities that are part of an economic group with combined turnover greater than \$250 million.

Memorandum of understanding (MOU)

A written agreement between the OFWO and another organisation outlining how the collaboration will create and maintain harmonious, productive and cooperative workplaces and promote a level playing field for businesses in specific industries. The formal agreements are publicly available at www.fairwork.gov.au/about-us/our-policies.

Migrant Worker Taskforce

A cross-agency taskforce that aims to identify further proposals for improvements in law, law enforcement and investigation, and other practical measures to more quickly identify and rectify any cases of migrant worker exploitation.

My account

Online self-service gateway where customers set up an account and save tailored information such as pay rates, access previous searches and submit online enquiries.

Online Learning Centre

An online hub offering interactive courses for employers and employees to develop their workplace skills.

Outcomes

Desired results, impacts or consequences for the Australian public resulting from the Government's actions.

Pacific Australia Labour Mobility (PALM) scheme

The PALM scheme supports eligible Australian businesses in hiring workers from Pacific island countries and Timor-Leste when there are not enough local workers available. The PALM scheme is jointly administered by the Department of Employment and Workplace Relations (DEWR) and the Department of Foreign Affairs and Trade (DFAT).

Pay and Conditions Tool (PACT)

An online tool that combines a pay, shift, leave and notice and redundancy calculator. It can be accessed on mobile devices and enables calculations to be saved for later reference.

Portfolio Budget Statements (PBS)

A budget-related paper detailing initiatives and budget appropriations in terms of planned Government outcomes and programs.

Public Governance, Performance and Accountability Act 2013 (PGPA Act)

The primary piece of Commonwealth resource management legislation; replaced the *Financial Management and Accountability Act 1997* on 1 July 2014.

Public Service Act 1999 (Public Service Act)

The principal Commonwealth law providing for the establishment and management of the APS.

Purchase-provider arrangements

Arrangements under which the outputs of an agency are purchased by another agency to contribute to outcomes. Purchaser-provider arrangements can occur between Commonwealth agencies or between Commonwealth agencies and state/territory government or private sector bodies.

Purpose

The objectives, functions or role of the entity or company. In relation to performance management, purposes are the reasons or ideal state or outcomes, for which the entity or company undertakes its activities.

Small business

A business that employs fewer than 20 employees.

Vulnerable workers

People who belong to a group which may have a greater risk of vulnerability in understanding and receiving their workplace rights and entitlements.

Abbreviations and acronyms

AAT	Administrative Appeals Tribunal
ABCC	Australian Building and Construction Commission
ABC Commissioner	Australian Building and Construction Commissioner
ACT	Australian Capital Territory
AHRC	Australian Human Rights Council
APS	Australian Public Service
APSC	Australian Public Service Commission
ATO	Australian Taxation Office
BCCIP Act	Building and Construction Industry (Improving Productivity) Act 2016
BCM	Business Continuity Management
CAF	Cleaning Accountability Framework
CALD	culturally and linguistically diverse
CEGP	Community Engagement Grants Program
CN	compliance notice
DEWR	Department of Education and Workplace Relations
DFAT	Department of Foreign Affairs and Trade
DFWO	Deputy Fair Work Ombudsman
EAS	Employer Advisory Service
EL1	Executive Level 1
EL2	Executive Level 2
eDM	electronic direct mail
EU	enforceable undertaking
FDV	family and domestic violence
FOI	freedom of information
FOI Act	Freedom of Information Act 1982
FRAC	fast food, restaurants and cafes
FW Act	Fair Work Act 2009
FWC	Fair Work Commission
FWO	Fair Work Ombudsman
FW Regulations	Fair Work Regulations 2009
GST	goods and services tax

HDCO	Harassment and Discrimination Officers
IN	infringement notice
IPP	Indigenous Procurement Policy
IPS	Information Publication Scheme
IT	Information Technology
KMP	Key Management Personnel
KPI	Key Performance Indicator
MoU	Memorandum of Understanding
NES	National Employment Standards
NSW	New South Wales
NT	Northern Territory
OAIC	Office of the Australian Information Commissioner
OFWO	Office of the Fair Work Ombudsman
PACT	Pay and Conditions Tool
PALM scheme	Pacific Australia Labour Mobility scheme
PBS	Portfolio Budget Statement
PGPA Act	Public Governance, Performance and Accountability Act 2013
PIA	Privacy Impact Assessment
POH	public office holder
PSM	Public Service Medal
PWE Act	Fair Work Legislation Amendment (Protecting Worker Entitlements) Act 2023
Qld	Queensland
ROC	Registered Organisation Commission
SA	South Australia
SES	Senior Executive Service
SJBP Act	Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022
SME	small and medium enterprises
Tas	Tasmania
Vic	Victoria
WA	Western Australia
WHS	Work Health and Safety
WHS Act	Work Health and Safety Act 2011

List of requirements

PGPA Rule Reference	Description	Requirement	Page/s
17AD(g)	Letter of transmittal		
17AI	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the Annual Report.	Mandatory	i
17AD(h)	Aids to access		
17AJ(a)	Table of contents (print only).	Mandatory	ii
17AJ(b)	Alphabetical index (print only).	Mandatory	182
17AJ(c)	Glossary of abbreviations and acronyms.	Mandatory	171
17AJ(d)	List of requirements.	Mandatory	176
17AJ(e)	Details of contact officer.	Mandatory	188
17AJ(f)	Entity's website address.	Mandatory	188
17AJ(g)	Electronic address of report.	Mandatory	188
17AD(a)	Review by accountable authority		
17AD(a)	A review by the accountable authority of the entity.	Mandatory	2
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	A description of the role and functions of the entity.	Mandatory	14
17AE(1)(a)(ii)	A description of the organisational structure of the entity.	Mandatory	10
17AE(1)(a)(iii)	A description of the outcomes and programmes administered by the entity.	Mandatory	14
17AE(1)(a)(iv)	A description of the purposes of the entity as included in Corporate Plan.	Mandatory	14
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority.	Mandatory	i
17AE(1)(aa)(ii)	Position title of the accountable authority or each member of the accountable authority.	Mandatory	i
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory	10
17AE(1)(b)	An outline of the structure of the portfolio of the entity.	Portfolio departments mandatory	N/A

PGPA Rule Reference	Description	Requirement	Page/s
17AE(2)	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory	N/A
17AD(c)	Report on the Performance of the entity		
	Annual performance Statements		
17AD(c)(i); 16F	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	14 (OFWO) 56 (ABCC)
17AD(c)(ii)	Report on Financial Performance		
17AF(1)(a)	A discussion and analysis of the entity's financial performance.	Mandatory	122 (OFWO) 65 (ABCC)
17AF(1)(b)	A table summarising the total resources and total payments of the entity.	Mandatory	168
17AF(2)	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.	137 (OFWO) 84 (ABCC)
17AD(d)	Management and Accountability		
	Corporate Governance		
17AG(2)(a)	Information on compliance with section 10 (fraud systems).	Mandatory	119
17AG(2)(b)(i)	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	i
17AG(2)(b)(ii)	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	i
17AG(2)(b)(iii)	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	i
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	117 (OFWO) 62 (ABCC)
17AG(2)(d) – (e)	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to noncompliance with Finance law and action taken to remedy noncompliance.	If applicable, Mandatory	N/A

PGPA Rule Reference	Description	Requirement	Page/s
Audit Committee			
17AG(2A)(a)	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory	118
17AG(2A)(b)	The name of each member of the entity's audit committee.	Mandatory	118 (OFWO) 63 (ABCC)
17AG(2A)(c)	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	118 (OFWO) 63 (ABCC)
17AG(2A)(d)	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	118 63 (ABCC)
17AG(2A)(e)	The remuneration of each member of the entity's audit committee.	Mandatory	118 63 (ABCC)
External Scrutiny			
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	120 (OFWO) 64 (ABCC)
17AG(3)(a)	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory	N/A
17AG(3)(b)	Information on any reports on operations of the entity by the Auditor General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory	N/A
17AG(3)(c)	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory	N/A
Management of Human Resources			
17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	108
17AG(4)(aa)	Statistics on the entity's employees on an ongoing and nonongoing basis, including the following: (a) statistics on fulltime employees; (b) statistics on parttime employees; (c) statistics on gender (d) statistics on staff location.	Mandatory	106
17AG(4)(b)	Statistics on the entity's APS employees on an ongoing and nonongoing basis; including the following: ▶ Statistics on staffing classification level; ▶ Statistics on fulltime employees; ▶ Statistics on parttime employees; ▶ Statistics on gender; ▶ Statistics on staff location; ▶ Statistics on employees who identify as Indigenous.	Mandatory	106

PGPA Rule Reference	Description	Requirement	Page/s
17AG(4)(c)	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the Public Service Act 1999.	Mandatory	110
17AG(4)(c)(i)	Information on the number of SES and nonSES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory	110
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level.	Mandatory	110
17AG(4)(c)(iii)	A description of nonsalary benefits provided to employees.	Mandatory	110
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory	N/A
17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory	N/A
17AG(4)(d)(iii)	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory	N/A
17AG(4)(d)(iv)	Information on aggregate amount of performance payments.	If applicable, Mandatory	N/A
Assets Management			
17AG(5)	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory	N/A
Purchasing			
17AG(6)	An assessment of entity performance against the Commonwealth Procurement Rules.	Mandatory	122
Reportable consultancy contracts			
17AG(7)(a)	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	123 (OFWO) 66 (ABCC)
17AG(7)(b)	A statement that 'During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]'.	Mandatory	123 (OFWO) 66 (ABCC)
17AG(7)(c)	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	123 (OFWO) 66 (ABCC)

PGPA Rule Reference	Description	Requirement	Page/s
17AG(7)(d)	A statement that 'Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website'	Mandatory	123 (OFWO) 66 (ABCC)
Reportable non-consultancy contracts			
17AG(7A)(a)	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	123 (OFWO) 66 (ABCC)
17AG(7A)(b)	A statement that 'Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.'	Mandatory	123 (OFWO) 66 (ABCC)
17AD(daa) Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts			
17AGA	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory	123 (OFWO) 66 (ABCC)
Australian National Audit Office Access Clauses			
17AG(8)	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory	N/A
Exempt contracts			
17AG(9)	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory	N/A

PGPA Rule Reference	Description	Requirement	Page/s
Small business			
17AG(10)(a)	A statement that '[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website.'	Mandatory	122
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	122
17AG(10)(c)	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that '[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website.'	If applicable, Mandatory	N/A
Financial Statements			
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	132 (OFWO) 80 (ABCC)
Executive Remuneration			
17AD(da)	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 23 of the Rule.	Mandatory	111 (OFWO) 61 (ABCC)
Other Mandatory Information			
17AH(1)(a)(i)	If the entity conducted advertising campaigns, a statement that 'During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website.'	If applicable, Mandatory	124
17AH(1)(a)(ii)	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory	66 (ABCC)
17AH(1)(b)	A statement that 'Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website].'	If applicable, Mandatory	124
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	109
17AH(1)(d)	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	121
17AH(1)(e)	Correction of material errors in previous annual report	If applicable, mandatory	N/A
17AH(2)	Information required by other legislation	Mandatory	170

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